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The Face of God

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1. Introduction

Relax. Take it easy. Have no fear. The Face of God is real.

Remember, jewels are small, precious and valuable. This course may be small, but it will prove to be precious and valuable. My goal in this course is to minimize for you the access cost of seeing The Face of God.

What is The Face of God? I know that's your first question. The Face of God is a pattern. This is a pattern drawn by the planets. This pattern has a left side, a center and a right side. Lines on the pattern form support and resistance lines. Prices move according to this pattern. There is one pattern for each day. That one pattern operates in many markets. Each market may be travelling different parts of the pattern.

In my Market Chaos Theory, prices are always moving away from a strange repeller toward a strange attractor. As prices reach the vicinity of a strange attractor, then pass it in time, it becomes a strange repeller. So finding these strange attractors/strange repellers (SA/SR) is very useful.

What I have discovered is that the center of the Face of God pattern is the center of these SA/SRs. It is the physical cause of the SA/SRs. The Face of God is a strange attractor as prices move toward it. When prices pass it in time, it becomes a strange repeller.

So prices tend to move from the center of one Face of God pattern to the center of another Face of God pattern. However, a center may be too hot to be touched, like a hot stove. Prices will move toward that center. When they get close they may shuffle around the center, as you might if you got too close to a hot stove and needed to get past it.

The center of that pattern is extremely high energy. In fact, it is the focus of the highest energy. The value of recognizing and using this pattern is that the vertical moves in markets occur at or near the center of the Face of God patterns. It is obviously these vertical moves that traders both fear and love. That is where prices change the fastest and where money can be made the fastest. Beware. That is also where it can be lost the fastest.

To apply The Face of God pattern is simple. First you draw the pattern. All you need is the date for which you want the pattern. I will teach you how to draw the pattern both by hand and by using the computer program.

Once you have the pattern drawn for a given day, you place that pattern on a clear mylar sheet, making an overlay. Then you slide the pattern over a properly scaled chart.

You are looking for the center of a pattern that is not yet complete. You align the left side of the pattern with the existing price action. That locates the center in both price and time.

When you find the center, that allows you to anticipate a vertical move that may occur near the center.

This pattern is not a trading system. It is a tool for finding good trades. Think of it as an information system.

What do I mean by good trades? Goodness equals reward divided by risk. This is the money won divided by the money risked. You want that ratio as high as possible.

At the time you enter a trade your risk is the uncertainty of where price will be in the very near future. A good measure of that is where prices have been in the very recent past. That is simply the range of prices in some time period just prior to trade entry.

The reward is the extent of the movement after you make your entry. If prices just sit there and stay within the range in which they have been trading, you have a very poor reward to risk ratio. But if prices suddenly jump by a large amount, then you have a good reward. If at the time of entry the range is very small, you have a very low risk, and a good reward to risk ratio.

Obviously, what you want to do as a trader is to maximize the ratio of your reward to your risk. The Face of God pattern helps you do this.

As prices approach the center of The Face of God pattern, they are guided by the support and resistance lines which make up the pattern. Near the center of that pattern the price range will narrow. Very near the center of the pattern one can place entry stops: a buy stop just above the center, a sell stop just below the center. When the center of the pattern is reached, a sharp vertical move is very likely to occur. Occasionally, prices will come out of the center horizontally to the right. Most of the time a sharp vertical move will occur. It will usually go a distance that is several times larger than the range of prices coming into the center. That sharp movement will elect one of your stops and a rapid price change will carry your trade with it.

The vertical move will not go on forever. At some point prices will start congesting sideways. When they do, they will cross another support or resistance line that is a part of the pattern. This line is a steep line, but not a vertical line. Once that steep line is crossed, you cover the trade because the period of maximum reward is over.

The process to use The Face of God pattern is simple.

1. For most trading, one will generate a Face of God pattern for each day. It is possible to generate Face of God patterns for any point in the past or future. You do not need to wait for the day to occur before generating the pattern for that day.
2. You copy your pattern to mylar, the plastic material that you can feed into copiers. Some ink jet and laser printers can print on this material directly. One can even trace the pattern onto a mylar sheet with a VuGraph pen. This makes the overlay.
3. You produce your charts for all markets. These must be appropriately scaled.

4. You then take this one pattern and place it over your charts, scanning those charts for potential trades.

The charts can be scaled to different scale factors. You can have daily charts, weekly charts, monthly charts and intraday charts. As long as the scale factor is correct, the pattern will show up. This pattern is a fractal pattern.

One of the properties of fractal patterns is that they occur in layers. Think of a fractal painting on a wall. From one distance the painting will have a certain appearance, a distinct pattern. Think of this as the top layer.

Now move closer to the painting. The pattern will blur, becoming less distinct. As you move in close enough, you will suddenly see that a pattern again comes into focus. It will look similar to the one on the top layer. It has repeated itself on a smaller scale. It will have repeated itself approximately but not exactly.

This is called self-similarity. It is a property of all fractal patterns. Then as you zoom in further, you will find another version of the pattern. Zoom in further still, and you will find it again.

The Face of God pattern has, I believe, an infinite number of layers. I believe it applies from sub atomic scales to cosmic scales. Fortunately, you need not find all those layers. In most markets, you will find four to five scaling layers that work well. These are adequate for your trading.

Once you scan your charts for your trades, you can elect your exits and entries, formulate your stop orders and place them.

This is not a mechanical system. This system does require judgement. This is merely a tool to help you find the best trades and to help you filter out the trades that are going to sap your capital.

This course is not an emotional off switch. It will in no way fix the emotional problems that traders experience. It may, however, help relieve the anxiety of trading. Once you learn that this pattern causes market movement, and learn how to apply the pattern, your ability to relax is increased. You consciously know what causes price motion in markets. This should relieve the strain on your psyche.

This is not a course in money management. Any good trading methodology has to be supported by good money management procedures such as only risking 2 percent of your capital on any one trade.

There are volumes written about trading psychology and money management. Any student of this course should study those topics in great detail. For the benefit of those without background in these topics, I include a chapter on developing trading systems. Think of it as a beginning.

I do not provide a canned trading system. I give you the means to create your own. It is my earnest belief that the only trading system that you will personally follow is one that you have personally developed. Only you know which markets you like, what time frames are of interest, what performance goals you seek, etc. But with the information provided by the FOG pattern, you can create some very good systems.

My earnest hope is that you will use knowledge of The Face of God to develop a very profitable and rewarding trading system for yourself. That is the best any teacher can hope for.

Here is what you need to learn. You need to learn how to draw The Face of God pattern. This means you need to be able to find out where the planets are and from that information construct the pattern.

You also need to know how to draw price charts. I will review the basics, which many of you probably already know. I will also go into scaling. This is extremely critical anytime you are applying a geometric pattern to charts. You must have control of the scale of the chart so that you get so many dollars of price action equal to one natural time unit; be it a day, an hour a week, a month or a year.

You then need to learn how to align the pattern. That means you need to learn to pick up the visual clues given by price as to where the prices are in the pattern.

Once you can align the pattern you need to learn some of the trading tactics that you can use. With that you should be able to trade the markets.

You will also be able to conduct your own research. As you watch the pattern move the markets, you will begin to understand how the system works. You will see things that I have not. Just like the invention of the transistor led to transistor radios, then eventually to integrated circuits, then to our marvelous computers, the discovery of The Face of God pattern will have a similar evolution. You have an opportunity to participate in that research. There is no way I personally will ever have the time to do all the research warranted by this discovery.

Let us begin.

2. Glimpsing the Face Of God

"In the beginning God created the heaven and the earth."

Thus begins the book of Genesis of the Holy Bible and the story of creation. Later in Genesis we are told that God created something called a firmament. In verse 14

"... and God said let there be lights in the firmament of heaven to divide the day from the night and let them be for signs and for seasons and for days and for years. "

Genesis then goes on to tell how God created the creatures: the fish, the plants, the herbs and man himself to live on the earth. The rest of the Bible discusses mankind and much of his history of living on this earth and his seeking of the God that created him.

But what about this stuff called the firmament? What was it? In verse 7 Genesis says

"And God made the firmament and he divided the waters which were under the firmament from the waters which were above the firmament and it was so."

and in verse 8

"... and God called the firmament heaven."

So the ancient scriptures describe the firmament as making up heaven or the heavens.

How far is this firmament of the Bible from the tachyon field postulated by modern physicists? The book, ***Dr. Nieper's Revolution in Technology, Medicine, and Society*** explains that a group of modern physicists believe that all of space is filled with an energy field, an intense energy field. They further believe that other fields that we are familiar with such as the electromagnetic fields and gravitational fields are derived from this universe filling tachyon energy field. Mind you, these are noted, well-respected physicists, including several Nobel Prize winners. These modern physicists from six continents have been searching for the answers to several fundamental physics questions, such as, ***"What causes gravity?"***

Sir Isaac Newton, who formulated the law of gravity explaining how two bodies attract each other with the force of gravity, did not necessarily believe that gravity itself was a basic property of the universe. To quote

"It is absurd to suppose that gravity is innate and acts without a medium, either material or immaterial."

Sir Isaac Newton, 1690

Nearly a hundred and fifty years later

James Clerk Maxwell, who mathematically formulated the laws of the propagation of electromagnetic waves, said

"The aether ... is probably molecular."

James Clerk Maxwell, 1864

In the early days of the development of the science of electricity, aether was assumed to be some sort of universal invisible field or fluid that filled the universe. Many students of physics today believe that Einstein's ***Theory of Relativity*** did away with the possibility of an aether or of a universal field. This is because Einstein originally thought he had to assume that the aether did not exist in order for him to develop his theories. Einstein later found that he need not make that assumption. He said

"All of these endeavors are based on the belief that existence should have a completely harmonious structure. Today we have less grounds than ever before for allowing ourselves to be forced away from this wonderful belief."

Albert Einstein, 1934

And finally, in more recent times, Professor Dirac, one of the greatest physicists of all time, said,

"The aetherless basis of physical theory may have reached the end of its capabilities and we see in the aether a new hope for the future."

Professor P. A. M. Dirac, 1954

So, as of today nothing in modern science has ruled out the claim made in the very first chapter of the Bible, that there exists throughout the universe a firmament, a universal energy field.

So let us assume that there *does* exist such a universal energy field. My market astrophysics research has shown that prices react according to the rules of energy. Prices move up and down according to how the energies of various cycles add together or do not add together. The addition of energy can only occur in the presence of harmonic relationships. Positive energies can add together at only certain times and places in space.

One can further postulate that matter itself is a form of energy which is congealed out of the energy field when the harmony becomes sufficient. This gives a sensible, scientific explanation for the creation of material objects out of thin air. Such feats have reported been performed by Sri Sathya Sai Baba, an East Indian Holy Man. He has demonstrated hundreds of times over the past several decades that he can create a material object while moving his hands in a circular motion in the air. I have personally interviewed a witness who sat at his feet, only two feet away, and observed the creation of a ring from thin air. Has this Baba learned to concentrate the tachyon field until it congeals?

According to reports, Sai Baba is an Avatar, God on earth in the form of a man. Sai Baba is the Avatar of this age. In the Hindu religion, avatars seem to come about once every 5000 years to help guide mankind to a higher level of evolution. Sri Baba is reportedly, then, a divine being, God himself, present on earth. Whether one believes that or not, it is very interesting to hear what this man or this creature has to say about God. Sri Baba says,

"I am God, I am the universe. You are God, and you and you and you. You are all part of the universe."

Sri Sathya Sai Baba

Is this not an accurate description of a universal energy field of which we are all part? Does it not explain how we as humans must harmonize according to the laws of nature?

In the book, *The Astrological Secrets of the Hebrew Sages*, by Rabbi Joel C. Dobin, the Rabbi explains that the Hebrew religion has long held that God speaks to individuals through the planets. The planets, in other words, are His communication system to direct individuals as to what courses of action are right and appropriate for them. This is yet another description of a universal energy system that works on harmony between all parts.

If this hypothesis of a universal energy field is true, then it must also be true that a measure of human activity such as the price of a freely traded stock or commodity **must** also reflect the state of other parts of this energy field.

My research in chaos theory and in market astrophysics has shown very clearly that prices are related to the solar energy field that comes from our sun. The motions of the planets change the amount of solar radiation by about two percent. Two percent may sound small, but that is two percent of a huge number.

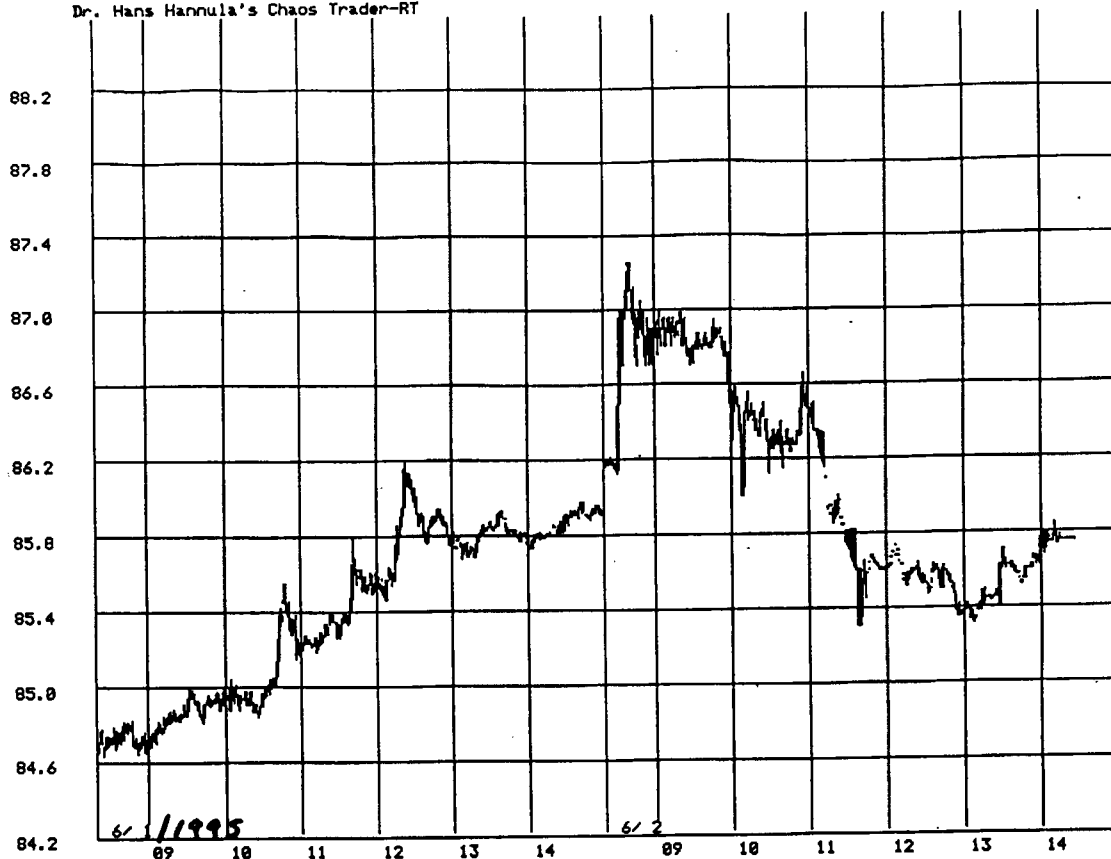
These changes in radiation are carried by the solar wind to the earth, where they interact with our electromagnetic field. These changes in the electromagnetic field cause changes in human physiology. These changes include changes in blood PH levels, changes in sleep patterns, and changes in hormone levels. These physiological changes cause changes in psychological mood. These changes in psychological mood then show up in the placement of orders by individuals in markets.

These market orders come in tides and fall back in ebbs, just like the oceans respond to the pull of the moon. These variations in orders then cause changes in price. I have fully

verified every step of this chain reaction: from the motion of planets to energy changes on the sun, from energy changes to electromagnetic field changes, to changes in human psychology, to market action, to price. After extended research in each phase of this model, I have been able to verify that the model is valid. ***Prices are a reflection of energy changes.***

I, therefore, maintain that money itself is a form of energy. If you don't believe me, take one thousand dollars in five dollar bills. Walk into any room in any office in any country. Put the money on the table and make a request for something to happen. You *will* see bodies in motion! You just inserted a battery in the Energizer Bunny. Just like the battery, the money that you put on the table was stored energy.

So with that energy mindset, let us take a new look at prices. I would like you to relax and forget any idea you ever had about price action in the past, at least temporarily. Look at Figure 1.



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FIGURE 1.

This is a two day chart showing intraday activity of the Swiss Franc June 1st and June 2nd, 1995. As you can see, on the first day prices rallied, closed a little bit flat then on the morning of the second day they shot up sharply and then declined the rest of the day. The net change in the value of one futures contract on the Swiss Franc at that time was a rise of \$3500 and a drop of \$2500, a \$6000 net swing of currency. In the world of commerce this was not a reaction to supply and demand. These sort of changes are far too fast for supply and demand.

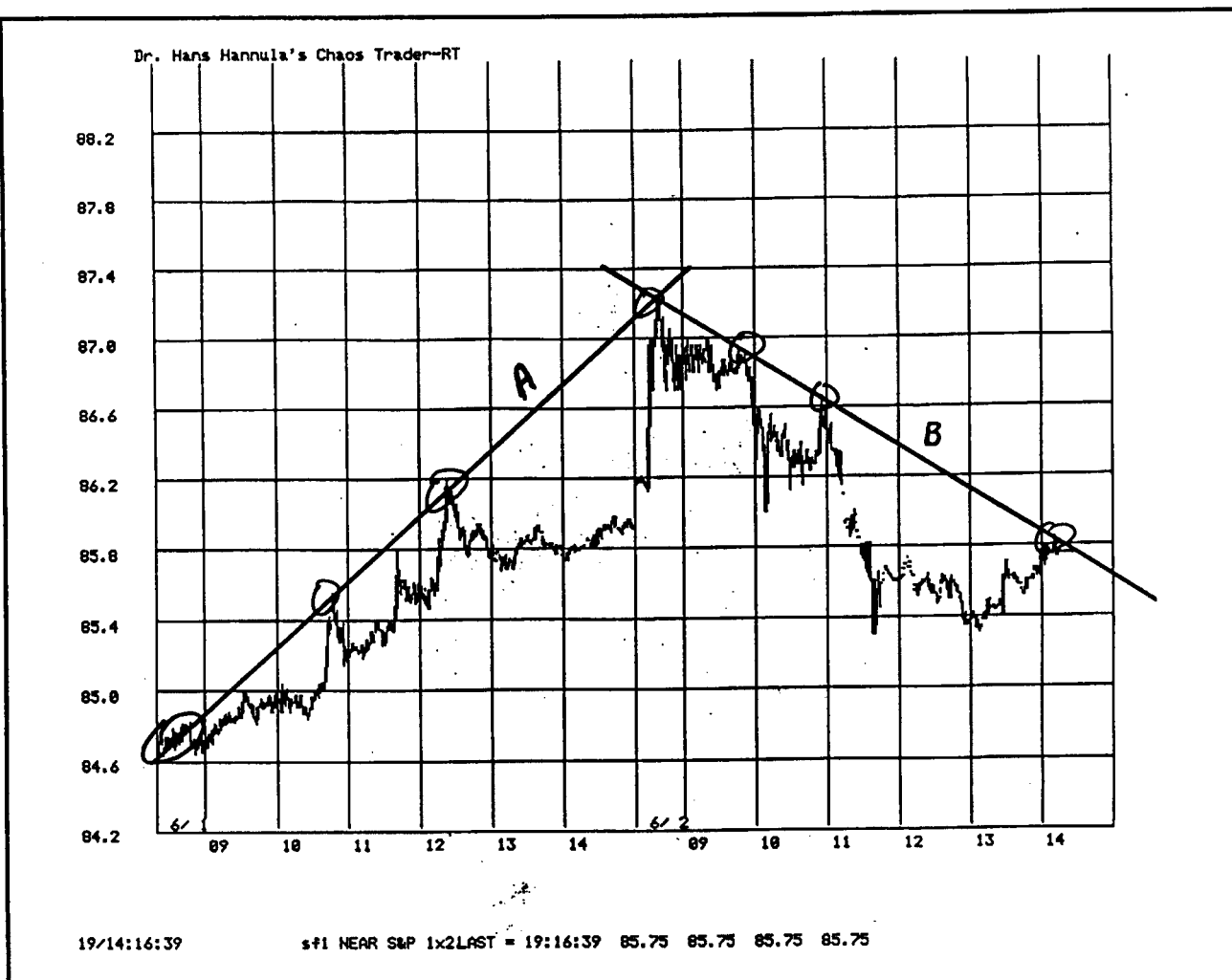
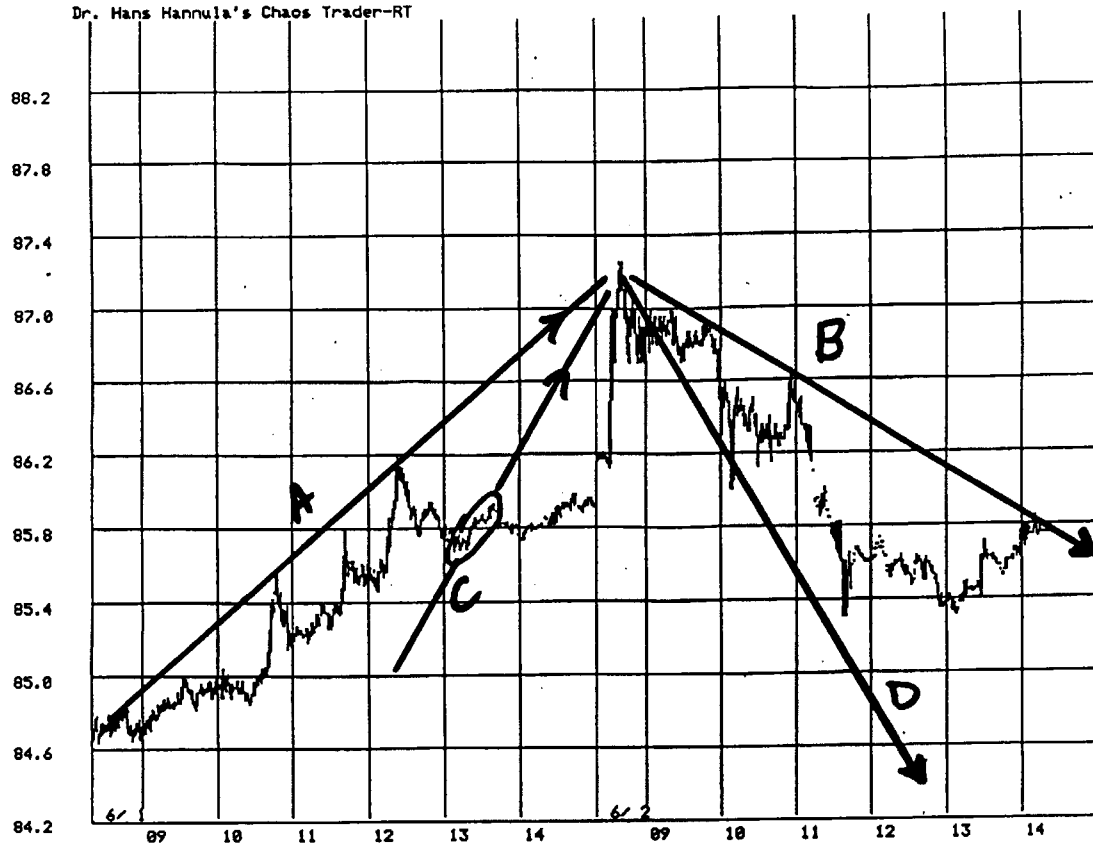


FIGURE 2.

Now look at Figure 2. Along the highs of the rally I have drawn a line A. Along the highs of the decline I have drawn a line B. The trend line is one of the oldest observations in the history of technical analysis of markets. Have you ever wondered why there were trend lines? Where do they come from? What meaning do they have?

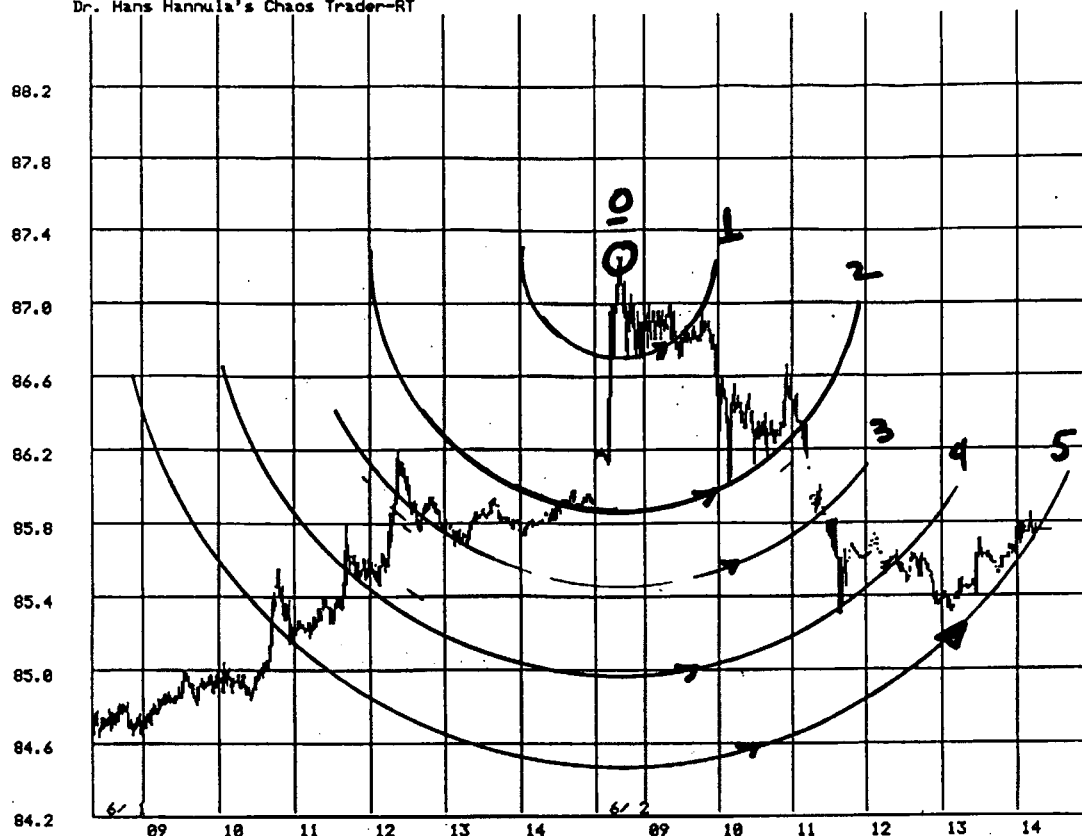


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FIGURE 3.

Now look at Figure 3. We have the same lines A and B, but I have drawn two other lines, C and D. If you look closely, C appeared to be a line that for half an hour pulled prices with it as it ran up toward the high of prices. Similarly, line D seemed to pull prices down with it as it left the high and headed downward. These lines are not as obvious and have not been documented as well as trend lines, but one can see that they do exist.



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FIGURE 4.

Now let's look at Figure 4. In Figure 4, I have drawn circular arcs, with the high as the center. Notice how prices tended to stay within arc #1 after making the high. When prices broke away from this arc, they dropped sharply down to arc #2 and held above it. Prices made 3 lows on arc #2. When they broke through #2, they fell, hesitated momentarily at arc #3, and then stopped at arc #4. Notice that arc #4 was also support on the rally. Finally, at the end of the second day, prices tended to climb up arc #5. Notice that arc #5 was also support on the 1st of June near 11:00 A.M. as prices rallied.

Very interesting! There are straight lines and there are circular lines. These are called arcs and radials. This general pattern of arcs and radials is what makes up the Face Of God pattern. Now I would like to give you your first glimpse of the Face Of God pattern. Do not expect to see everything that is important at first glimpse. I didn't.

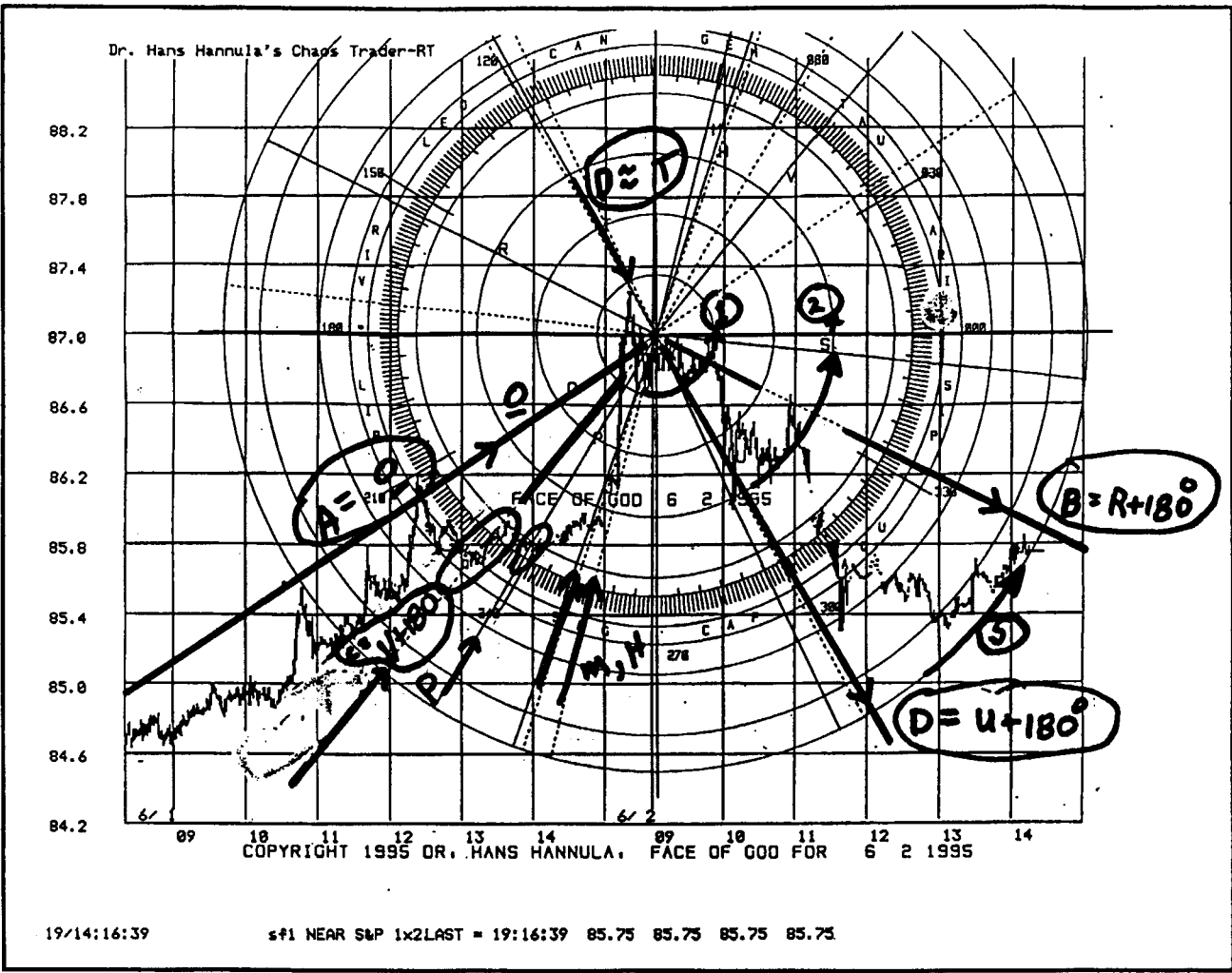


FIGURE 5.

Figure 5 shows the same two days of the Swiss Franc. Near the high in price I have placed the center of the Face Of God pattern, at about 9 o'clock at a price of \$87. With this center set, I have a line that is pre-drawn on the Face Of God marked $A = O$ with a line under the O . The underlined O is my symbol for the moon's node. That line was created by the moon's node. Similarly I have marked a line along the highs coming down in the decline of the second day as line $B = R + 180$. The letter R is the symbol I use for the planet Mars. Now let's look at line C . It is on the first day near the hour numbered 13. It says $C = V + 180$. V represents the planet Venus. Then line D coming down on the second day is labeled $U + 180$ degrees. That is the planet Uranus. Right above the center of the circle I also have labeled D with a wiggly $=$ sign. The wiggly $=$ sign means approximately equals and the T is the symbol I use for the moon. I had already used M for Mercury and R for Mars when I got to the moon. I couldn't use O . I had used it for the node and I had used N for Neptune, so I thought it about it being the terrestrial moon and used the letter T . Strange, but that is how research scientist's minds sometimes work.

Continuing on, look at the arc #1. This arc near the center contains price. When prices broke out of that arc and declined, they went to arc #2. Finally, near the end of the second day you can see arc #5 coming up.

There are a couple of minor points you might also note. One is a minor low as prices line up with planet Pluto, symbol P, and then the sharp rally that began right after the opening the 2nd day came on the two lines going up labeled M and H. M is Mercury and H means helio for the sun. I had to use H because I had already used the letter S for Saturn.

There! You have just glimpsed your first Face Of God pattern. Stop a moment and ponder this. If prices are formed by motion in this energy field, is it not logical that the motion of other bodies in this field would show up in prices? Is it not then reasonable to expect, not just hope for, but to expect, that planetary motions show up in prices?

But note just how they showed up. ***The trendlines were determined by the planets. In advance! Not only that, the relationships between the trendlines was determined by the planets. In a moment I will show you that the Face of God pattern is a miniature replica of the planets. It is a scale model!*** No fancy translation is needed. As the planets move, they create wave patterns in the universal energy field shaped just like the solar system. And prices follow these waves!

Just how profound is it to find that the planetary motion shows up so directly? After 18 years of finding hundreds of indirect ways that planetary motion shows up in prices, I can assure you, discovering that they show up so directly is profound. It still leave me in awe and wonder.

At this point you may not understand just how directly the planetary patterns show up in prices because you do not yet understand how to draw the pattern. Rest assured that it is a very simple process to draw the Face Of God pattern. We will cover how to that in the next chapter. But before doing that, let me explain what is physically happening.

Look at Figure 6. It will help you understand how God talks to traders through the planets.

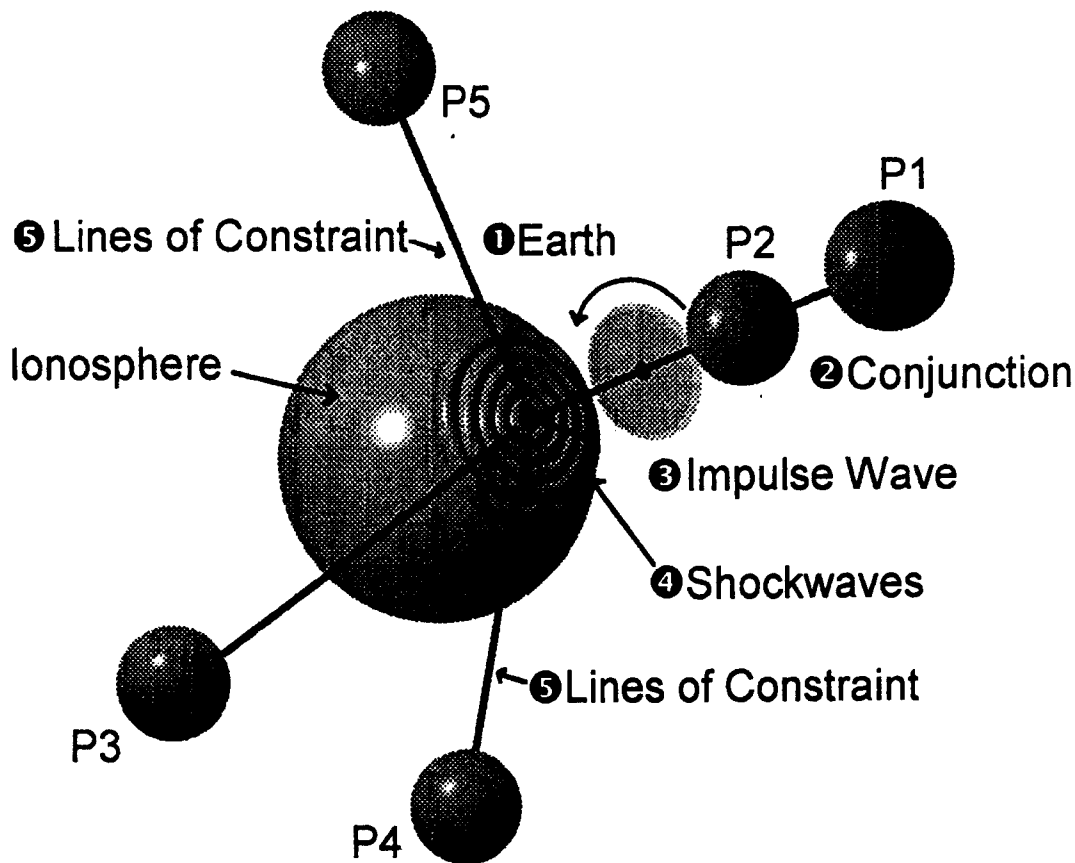


FIGURE 6.

Figure 6 shows the earth surrounded by our ionosphere. At high altitude, the ionosphere represents a layer of charged particles. Assume that two planets, P1 and P2 line up with each other as viewed from earth. This pattern is called a conjunction. Conjunction means a coming together. In one theory of physics, those planets and our earth will be connected by gravitational strings. They will also be connected by electrostatic lines of force between the bodies. As this alignment occurs, an impulse wave of charge will be launched, traveling toward the earth. Electromagnetic field theory tells us that a traveling electromagnetic wave also contains a rotating vector that spins as the wave travels forward. When that wave strikes the earth's ionosphere, it is as if a missile were fired - an electronic missile. From the center of impact shock waves will spread out as shown by point 4 in Figure 6. As these shock waves spread out, their spread will be different in different directions. This is because strings to other planets, such as P3, P4 and P5 will be creating lines of constraint. Those lines of constraint will modify how these shock waves propagate out from the center.

One can see that this mechanism would produce at that location on earth a localized energy field that would consist of arcs and radials. That localized energy field forms the Face Of God pattern. Computing this pattern in three dimensions is possible, but I have discovered that it is not necessary. In the next chapter we'll go through the computation of

the Face Of God pattern using a two dimensional model. It has proven to be most adequate for trading. It is easily produced, and well worth the effort. Let me show you.

3. *Drawing the Face of God Pattern*

This chapter explains how to draw the Face of God pattern. Although you will be using a computer program to draw this pattern, it is important that you understand how to draw it manually. You need to understand where it comes from.

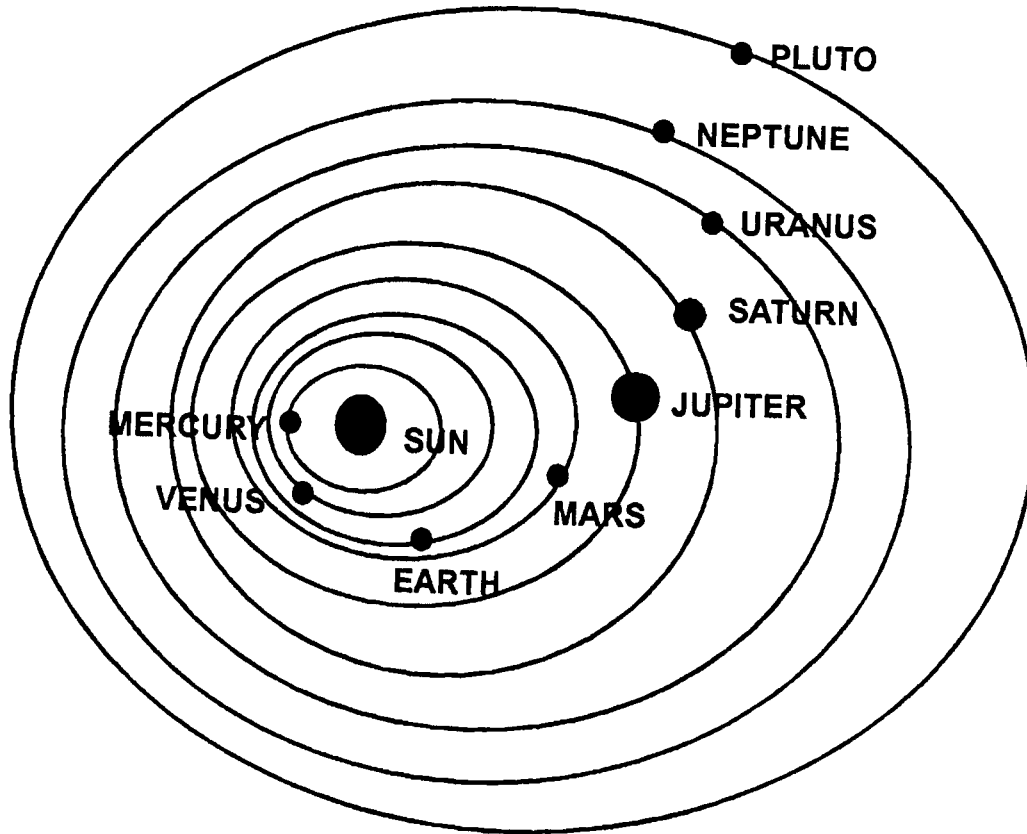


FIGURE 3-1.

Figure 3-1 shows a sketch of our solar system. Because the distances involved are too large this drawing is not to scale. The planet Pluto, for example, is shown much closer than it actually is.

What is important in this drawing is the order and names of the planets. You are probably familiar with the solar system from your grade school studies, so relax and enjoy this as a brief and easy review.

The center of our solar system is the Sun. All energy, except nuclear, comes from the sun. Even our fossil fuels, oil and gas, came from vegetation. The energy originally came from the sun. While it is true that some energy does arrive on earth via starlight, the bulk of our energy comes from solar radiation. Without the sun, earth would be a dead planet.

Around the sun are nine orbiting planets. The closest one to the sun is the planet Mercury. It is followed by Venus. Then comes our home planet, planet Earth. The plane formed by the earth's orbit around the sun is called the ecliptic plane. Most planetary orbits are tilted with respect to this plane. Such tilt is called inclination.

Earth is actually a co-planet, made up of our moon and the earth. The pair of bodies spin around a common point that is approximately one-third of an earth diameter out from the center of the earth. That common orbital point is called the baricenter.

Because of this off-center configuration, our moon is easily manipulated by the other planets. This manipulation causes the moon's orbit to rotate in space. This orbit is tipped to the ecliptic plane. Where the orbit plane and the ecliptic plane meet is a line called the moon's node.

The moon's node has a profound impact upon markets. It behaves as if it were a physical body. The ancient Chinese considered it one, calling it the Dragon. Where the moon comes down through the ecliptic plane, they called the Dragon's Head. It is now called the North Node. Where the moon comes up through the ecliptic plane is the South Node, or Dragon's Tail. The word Node by itself means the North Node.

The next planet outside earth is the planet Mars. It is followed by the planets Jupiter and Saturn. The final three planets in order are Uranus, Neptune and Pluto.

Table 3-1 shows the basic parameters of the orbits of the planets. The first line in the table shows the mean distance from the sun to the planet. Mean means average and the units given are AU's. AU stands for astronomical unit. It is a measure of large scale distances. One astronomical unit represents approximately 149.6 million kilometers, the distance that Earth averages from the Sun.

Planetary orbital elements									
	Mercury	Venus	Earth	Mars	Jupiter	Saturn	Uranus	Neptune	Pluto
Mean distance from the Sun AU	0.387	0.723	1.000	1.523	5.202	9.538	19.18	30.058	39.44
millions of km	57.91	108.21	149.60	227.94	778.34	1,427.01	2,869.6	4,496.7	5,900.0
Eccentricity	0.2056	0.0067	0.0167	0.0934	0.0485	0.0556	0.0473	0.0086	0.250
Inclination to ecliptic (°)	7.00	3.39	—	1.85	1.30	2.49	0.77	1.77	17.20
Inclination of ascending node (°)	48.09	76.50	—	49.40	100.25	113.48	73.90	131.56	110.00
Mean longitude at perihelion (°)	77.14	131.28	105.59	335.69	14.00	92.65	170.33	44.45	223.00
Mean longitude at the epoch 1980 (°)	237.44	358.14	100.31	127.11	147.09	165.37	227.29	260.91	—
Sidereal period (days)	87.969	224.701	365.256	686.980	4332.59	10,759.20	30,684.8	60,190.5	90,465.0

TABLE 3-1

If you look at the distances you see that the furthest planet, Pluto, which is only slightly larger than our moon, is 39 astronomical units away. As incredible as it seems, even this distant planet has a profound influence on markets. It has a significant effect on movement of the moon's node. It is also tipped nearly 17 degrees to the ecliptic plane. Finally, its orbit is very eccentric.

The second line of Table 3-1 is eccentricity. The orbits of the planets are not circles. They are ovals called ellipses. The variance from a circle can be measured by the eccentricity. A circle has an eccentricity of zero. Venus has the most perfect orbit because it's eccentricity is .0067. The next most perfect orbit is Neptune.

The two most eccentric orbits are those of Mercury, with an eccentricity of .2056, and Pluto with an eccentricity of .250.

The third line of the table shows how each orbit is tipped to the ecliptic plane. Think of it as the solar system's table top. As the earth travels around the sun during the year it stays in the surface of the table top. Each orbit is tipped a few degrees to the ecliptic. The most prominent tip is that of Pluto which is tipped 17.2 degrees. The second most prominent tip is that of Mercury tipped at 7 degrees.

So both Mercury and Pluto, the nearest and the farthest planets, are not only highly elliptical in their orbits but also tipped considerably.

It is not the purpose of this course to go into all the astronomy of our solar system. That is worth a book on its own, and I would refer you to one of the books listed in the appendix.

Table 3-1 has a column called the ascending node. That is where the planet comes up through the ecliptic plane. The mean longitude of perihelion is the position in the planet's orbit where it is furthest from the sun. The mean longitude at the epoch of 1980 is where the planet was on January 1st, 1980. All these are measured in degrees from a common reference point called the Zero Point of Aries.

The sidereal period is the number of days for the planet to make one trip around its orbit. Sidereal is a term used in astronomy to mean "measured against the star background." Mercury has an orbital period of approximately 88 days, Venus of 225 days, and Earth about 365. Note the periods of the other planets.

To draw the Face of God you have to know where the planets are at the time for which you want to draw the Face of God. Astronomers have worked on this problem for hundreds, and indeed, thousands of years. They have constantly improved the methods by which they compute and predict the planet's orbits.

Many governments publish tables of these predictions based upon calculations done by national laboratories. In the United States and Britain, the Astronomical Almanac is used. It is published each year by the Nautical Almanac Office of the United States Naval Observatory by the direction of the Secretary of the Navy and under the authority of Congress. This publication is available from the U.S. Government Printing Office.

It is available in Britain from Her Majesty's Stationery Office. In Britain it is published by Her Majesty's Nautical Almanac Office, Royal Greenwich Observatory on behalf of the Science and Engineering Research Council.

Table 3-2 shows a portion of a page from this almanac for 1990. It give 5 days of data showing the longitude of Mercury, the latitude, and the radius, or distance from the sun. What we are interested in is the longitude.

MERCURY, 1990

E9

HELIOCENTRIC POSITIONS FOR 0^h DYNAMICAL TIME

MEAN EQUINOX AND ECLIPTIC OF DATE

Date	Longitude	Latitude	Radius Vector	Date	Longitude	Latitude	Radius Vector
Oct. 1	114 36 50.1	+ 6 25 25.1	0.318 7091	Nov. 16	279 36 44.1	− 5 29 03.0	0.457 6767
	2 120 29 14.7	6 40 29.9	.322 4717		17 282 29 51.6	5 41 46.7	.455 3194
	3 126 13 22.0	6 51 11.5	.326 6600		18 285 25 01.0	5 53 46.2	.452 6970
	4 131 48 35.4	6 57 40.9	.331 2224		19 288 22 26.4	6 04 58.8	.449 8132
	5 137 14 29.1	7 00 13.4	.336 1065		20 291 22 22.6	6 15 21.3	.446 6723

Table 3-2.

The longitude is the position of the planet as measured from a reference point in the star background as shown in Figure 3-1. That reference point is called the Zero Point of Aries. Originally it was in the constellation of Aries, but due to gradual procession of the equinoxes, that point has moved out of the star constellation Aries. However, it has been accurately mapped by astronomers across the ages and is universally used as a reference point for making the angular measurement to find a planet.

Today, one does not need to depend upon the government any more to find out where the planets are. Table 3-3 is a printout from my Market Astrophysics Trader's Ephemeris program.

MICROMEDIA MARKET ASTROPHYSICS EPHEMERIS-V2.0

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6 2 1995 17:00 UT Fri JED=2449871.208333

HELIOCENTRIC		GEOCENTRIC	
Mercury	247.177	Mercury	75.511
Venus	19.611	Venus	50.301
Earth	251.702	Sun	71.702
Mars	191.668	Mars	153.742
Jupiter	250.614	Jupiter	250.359
Saturn	347.914	Saturn	353.820
Uranus	297.952	Uranus	300.159
Neptune	293.902	Neptune	295.229
Pluto	239.207	Pluto	238.772
Moon	118.839	Moon	118.839
Node	213.677	Node	213.677



TABLE 3-3.

The Trader's Ephemeris program quickly computes the position of the planets in both geocentric position and heliocentric longitude. Heliocentric means sun centered. Heliocentric longitude is the angle between a line that starts at the sun and extends out into space toward the Zero Point of Aries and a line that starts at the sun and passes through the center of the planet. A geocentric longitude is similar, except that the reference point is Earth. Geocentric thus means Earth centered.

Note in this table that the planet Mercury is at 75.51 degrees geocentrically at 1700 UT on June 2, 1995. UT, Universal Time, is the time at Greenwich, England, and is counted in 24 hour time, so 1700 is 5 hours past noon. This turns out to be noon New York time. I use this time as a convenient reference point for market work because of my extensive work with the stock market. For most applications of the Face of God pattern the use of this time is quite satisfactory.

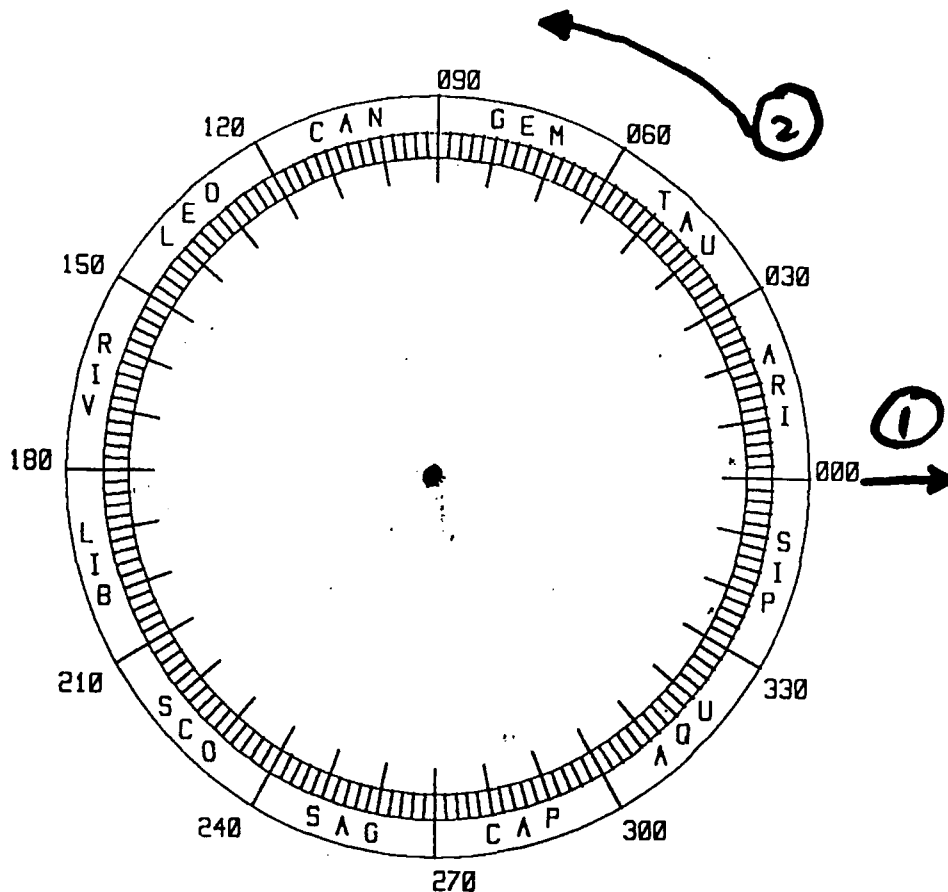


FIGURE 3-2.

In order to draw the Face of God we need a reference system. The framework for that reference system is shown in Figure 3-2. If we simply draw a circle with a zero degree position pointing to the right, that can represent the Zero Point of Aries. Then going counter-clockwise around the circle, we divide the circle up into 360 one degree increments. It is conventional in astrology to use every 30 degrees of that circle as a sign. Astronomers just use the degrees. We will just use the degrees.

The folklore of astrology has given names to each sign based upon the constellations that were originally to be found in those signs. Aries starts at zero degrees, Taurus at 30, Gemini at 60, Cancer at 90, Leo at 120, Virgo at 150, Libra at 180, Scorpio at 210, Sagittarius at 240, Capricorn at 270, Aquarius at 300 and Pisces at 330. So if you see a position given as 22 Virgo, it means $22 + 150 = 172$ degrees.

If you stop and think about it, the zero degree of the circle could be placed at any position on the paper. It could point to the top, the left, the bottom, etc. But for the FOG pattern, it must be placed to the right, or East. In my work, I have done that for years. This practice turned out to be an essential part in discovering the FOG pattern. Was I getting some help?

Also, the order of the numbers going around the circle could go either clockwise or counter-clockwise. So what is magic about this particular orientation and this particular order? What is magic is this. It works!

This particular orientation was used by W. D. Gann and is also used by the Uranian branch of astrology. The Uranian branch of astrology was the result of the work in Germany in the 1940's by several German intellectuals, many of whom were very good scientists. Why they chose this particular orientation I am not sure, but I can assure you that it is the proper orientation for the reference circle.

We can further associate directions with this circle. The zero degree position is East. The 90 degree position is North. The 180 degree position is West. And the 270 degree position is South.

We can associate the center of the circle with the Sun for plotting heliocentric positions. Or we can think of it as earth, and plot geocentric positions. For the FOG pattern we will use geocentric locations AND heliocentric locations. Both energy field patterns show up in markets. For now, though, let us just work with the geocentric FOG.

Now, let us plot the geocentric position (longitude) of Mercury on this circle for June 2, 1995. Recall that Mercury was at 75.51 degrees, as given by the ephemeris. We extend a line from the center of the circle out to the 75 degree position and label it with the letter M. We have made a radial line from the center out to the position of Mercury. This represents the gravitational string from Earth to Mercury. This is shown in Figure 3-3.

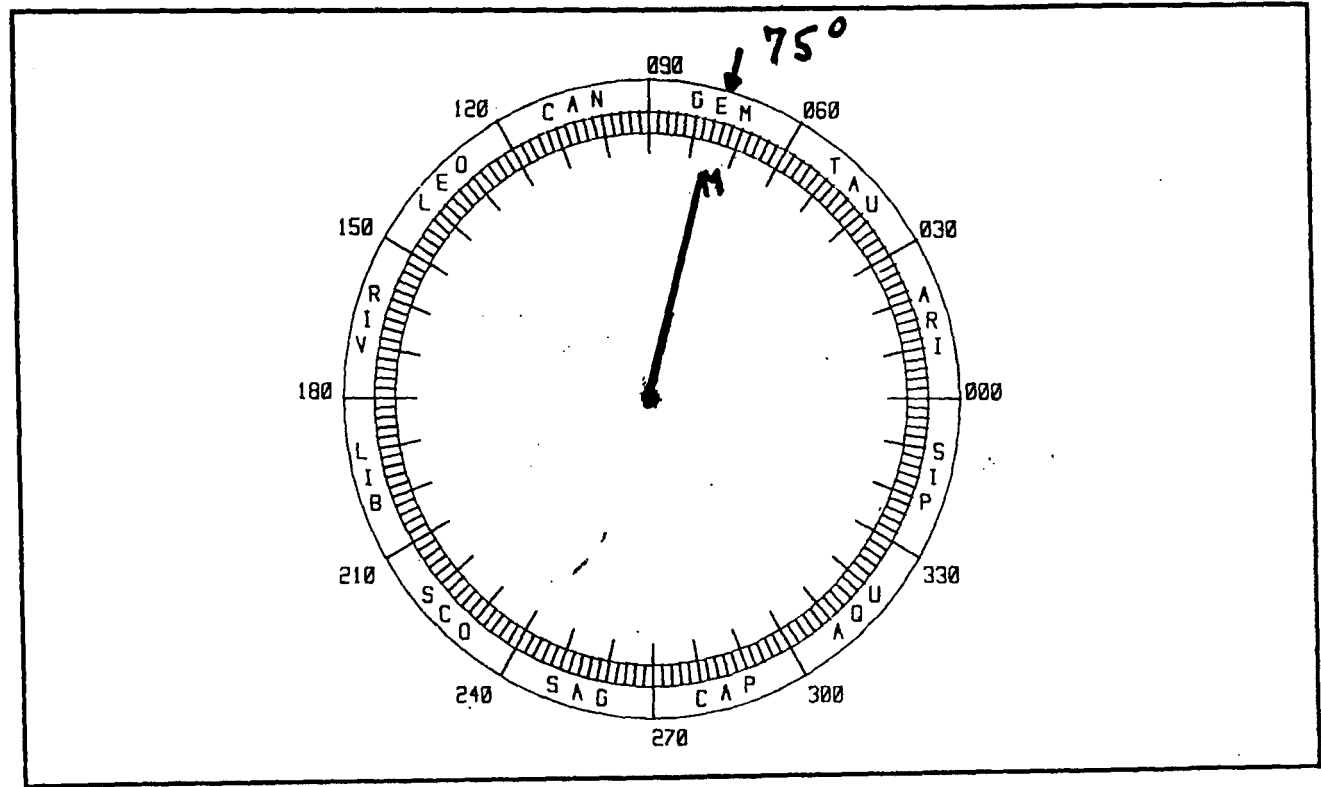


FIGURE 3-3.

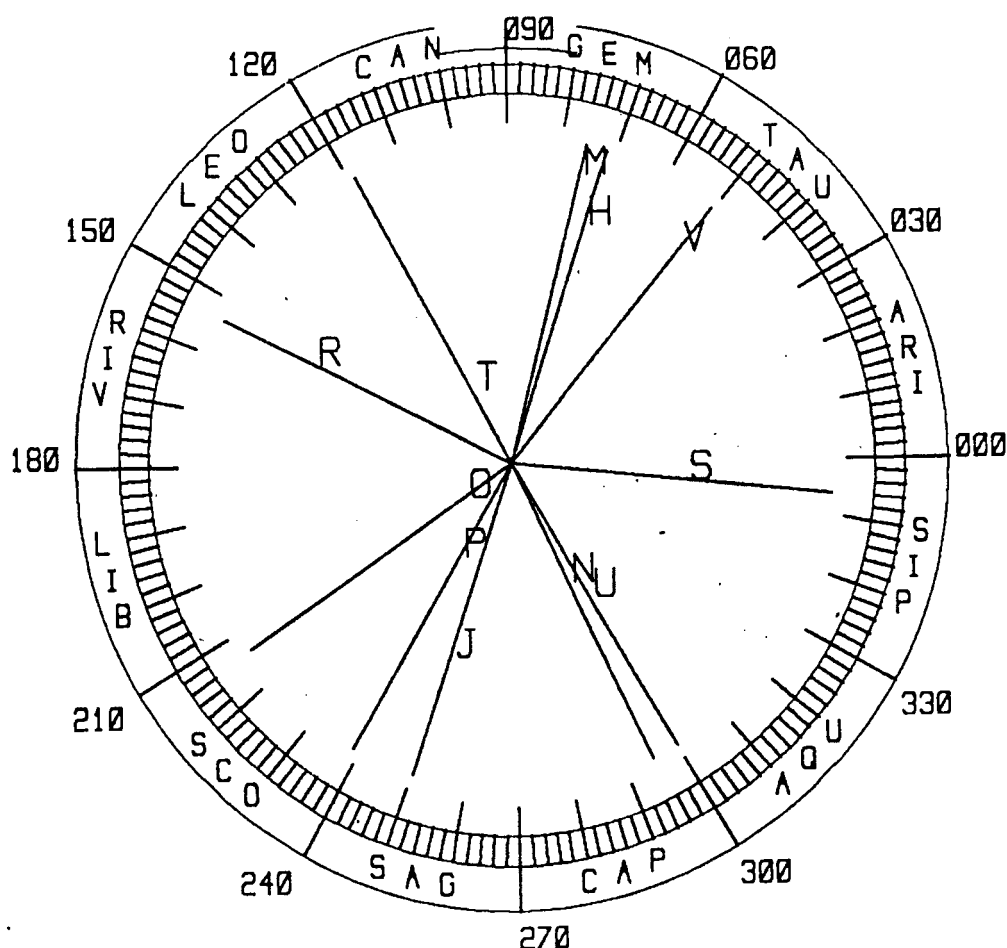


FIGURE 3-4

If we do this for all of the planets and the moon, we can complete the diagram as shown in Figure 3-4. This is simply a graphical representation of the positions of the planets as viewed, in this case, from Earth. In the naming scheme, M is Mercury, V is Venus, H is the Sun, R is Mars, J is Jupiter, S is Saturn, U is Uranus, N is Neptune, P is Pluto, T is the Moon, and O is the Moon's Node. For heliocentric, E is Earth.

We saw in Chapter 2 that the Face of God pattern not only had these radial lines extending from the center but also had circular arcs that seem to influence prices. In Figure 3-5, the circled number 1 shows another arc added to the background of the pattern. In the real Face of God we will have multiple arcs evenly spaced going out from the center.

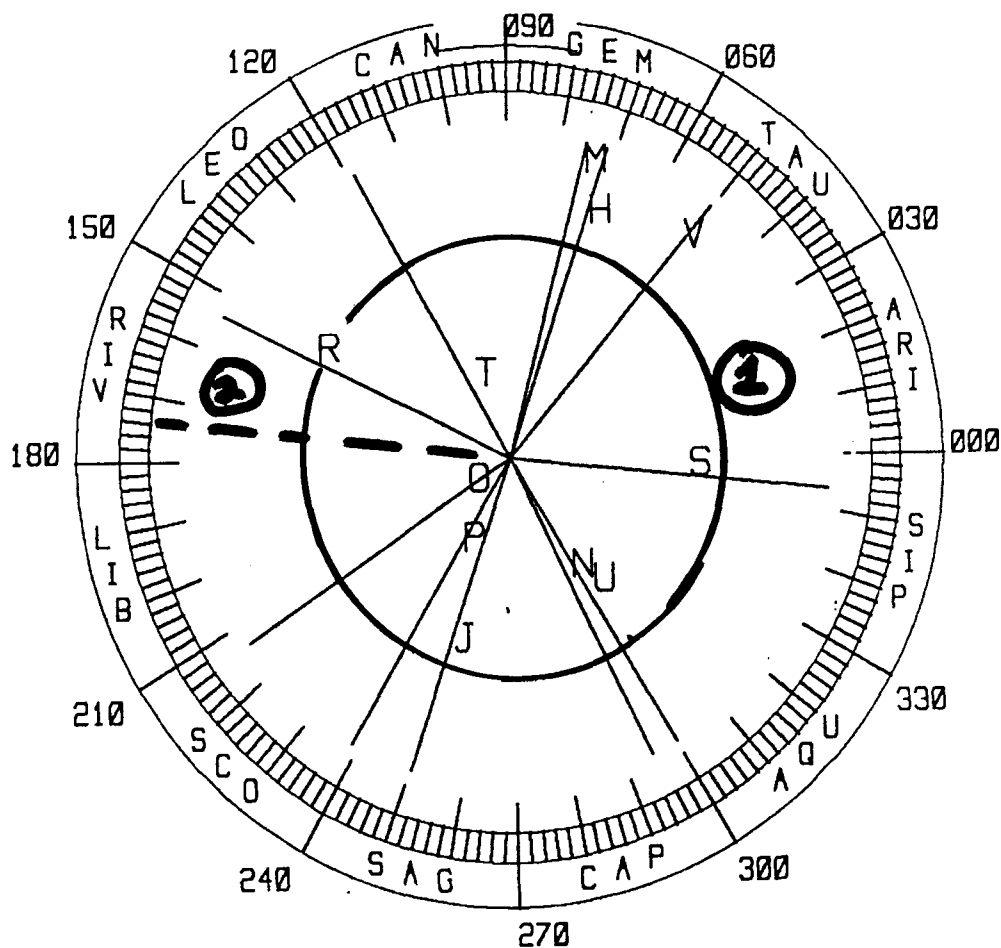


FIGURE 3-5.

We also need to add a "tail" to each of the planetary lines. This is shown by the line labeled 2 in Figure 3-5. These "tails" represent the opposition positions of the planets. Those are the points on the opposite side of the circle from the planet, or 180 degrees from the planet's position. My research has shown that both the conjunction of planets and the opposition of planets are very strong in producing the Face of God pattern. Both represent a direct alignment of the bodies.

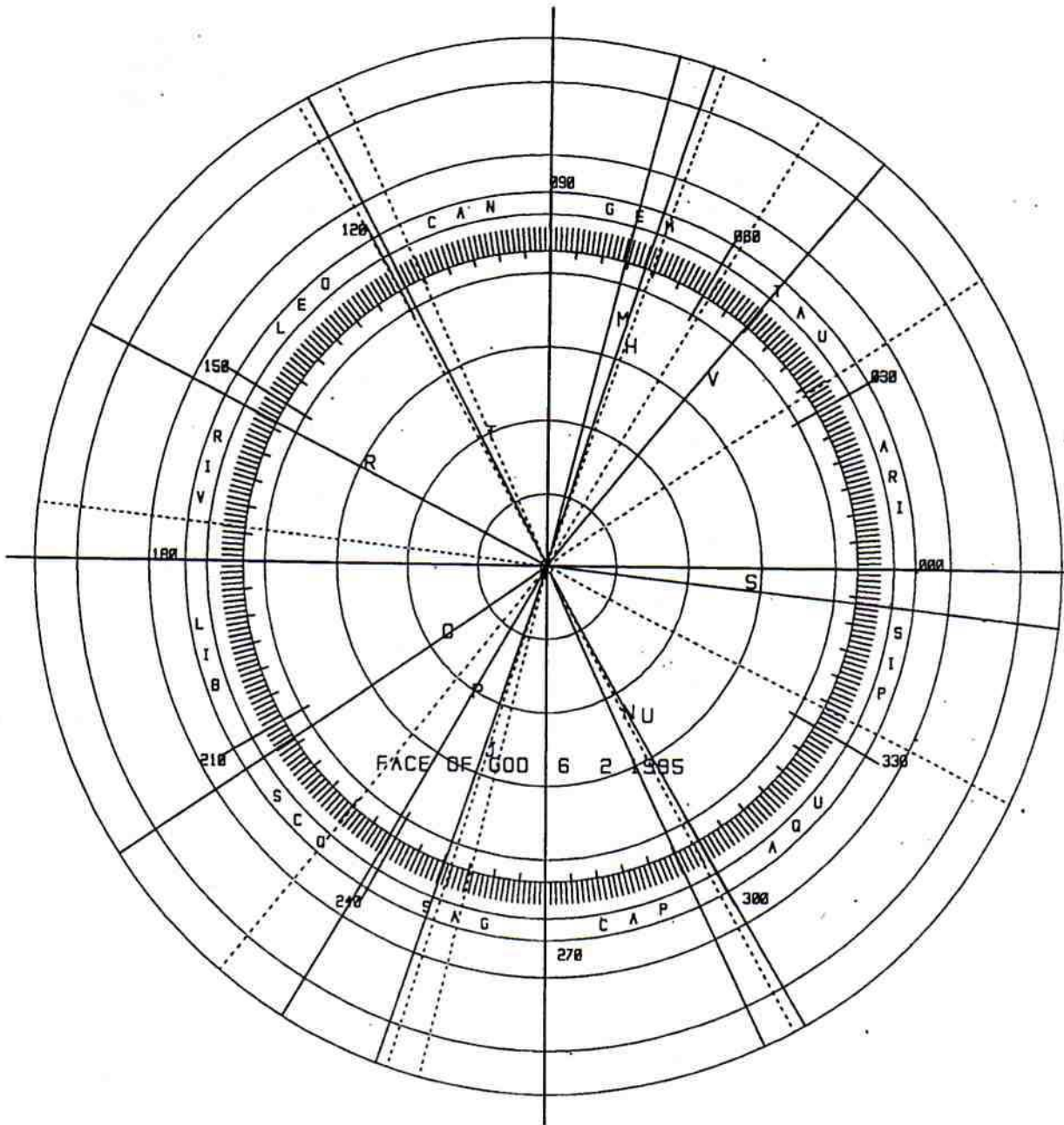
At this point, we have constructed a Face of God pattern. This pattern is only slightly less complete than the one shown in Figure 3-6 which is drawn by the computer software provided with this course. The primary difference in this final pattern is that there are more circular arcs, both geocentric and heliocentric lines are shown, and the date is labeled below the center of the pattern. The operation of the computer software to draw this pattern is described in Appendix A.

THE FACE OF GOD PATTERN

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6 2 1995 17:00 UT

2449871.208 JED



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FIGURE 3-6.

While we have presented this Face of God pattern as containing lines measured from the center of the earth, the true pattern contains additional lines based upon heliocentric positions of the planets. When one examines price actions in detail, one finds that both heliocentric and geocentric positions are important. This is especially true when they form lines of force in the same direction.

One way to think of this is that the heliocentric positions of the planet determine how much change is made in energy coming off the sun, whereas the geocentric position of the planets determine how that energy is focused and utilized when it arrives at earth. If there is no focusing, generation will not be as effective. When the two work together, there will be greater energy changes and greater price motions.

This Face of God pattern is ancient. It is the astrologer's wheel drawn in a specific manner. While the manner of drawing it may be relatively new, the basic pattern is not. It is the pattern that is described in the Bible in the book of Ezekiel. W.D. Gann, in ***The Tunnel Through The Air***, often refers to Ezekiel. In the first chapter of Ezekiel it says

"Now as I behold the living creatures, behold, one wheel upon the earth by the living creatures with his four faces the appearance of the wheels and their work was like unto the color of a beryl; and they four had one likeness: and their appearance and their work was as it were, a wheel in the middle of a wheel."

The idea of a wheel within a wheel will be familiar to many Gann students. If one thinks of one of the circles in the Face of God pattern as the rim of a wheel, the radials out to that rim would then make up the spokes. If you think of the term wheel within a wheel, one could see that the spokes could continue through the first rim and out the second rim, making the "... wheel within a wheel." As we go out with three, and then four rings, we will have the four wheels within the wheels outlined by the prophet Ezekiel.

It should also be pointed out that the four faces referred to are the four directions in the wheel, the East, North, West and South.

You have now learned to draw the Face of God pattern correctly. This pattern is simply an extension of a properly drawn astronomer's position chart for the positions of the planets. This pattern has been studied by many people over the ages. So it is not particularly novel. What is novel is the application of this pattern; the discovery that it can be overlaid on price charts, and that prices follow that pattern. The trendlines follow the same angles. You don't suppose the word angels in the Bible is really angles, do you?

Before we can apply this pattern, we need to talk about how you prepare price charts for use with the Face of God pattern. After doing that we can then move on to applications of the Face of God pattern for trading stocks and commodities.

4. *Scaling of Price Charts*

No topic is more important than scaling in the study of markets. Yet practically nothing has been published about this. The writings of W. D. Gann contain a few lines about scaling. They are very cryptic. What has been covered in print has been, until now, very limited. The purpose of this chapter is to explain to you how to scale your price charts.

I assume that you already know how to draw a price chart for either a stock or a commodity. It is not a difficult process. One simply makes a graph with price on the vertical axis, and time on the horizontal axis. It is customary to plot a symbol what somehow shows the high price, the low price and the closing price. A vertical line from high to low with a short horizontal line at the closing price is a common method. This is called a "bar." Another common method is the candlestick method, which has a rectangle showing the range from open to close, with lines extending up to the high and down to the low. The rectangle is usually colored or filled in if the close is lower than the open, and left uncolored or unfilled if the close is higher than the open. A bar may cover any period of time: minutes, hours, days, weeks, months, and even years.

For use with FOG patterns, I have found that both calendar day charts and trading day charts are useful, if one gets the scaling correct. The reason both work is that they are related by a harmonic ratio of 5 to 7. For most longer term work I use calendar day charts. The planets never stop working.

For this course I have also assumed that the student either keeps her or his own charts by hand or has a computer program with which to draw them. Practically any computer program that produces charts will be adequate provided it gives you exact control of the scaling. By scaling I mean you must be able to control the time scale of the chart as well as the vertical scale of the chart. Do not let the computer pick the scaling.

Scaling involves setting the ratio of the two chart axes. It is important that you understand that markets are non-linear chaotic systems as taught in my ***Cash In On Chaos*** course, and that the price patterns that they produce are fractal geometry patterns. They have precise shapes, which will only show up on a properly scaled chart.

Fractal patterns are particular types of patterns produced by non-linear systems. They are described by fractal geometry. Fractal geometry was invented by Dr. Benoit B. Mandelbrot. Fractal geometry is covered in detail in my ***Cash In On Chaos*** course. For the purpose of scaling, the student of this course needs to understand that fractals are self-similar. Fractals are like drawings that occur in layers. Once again, let me review this concept, since it is important in scaling. Notice the numbers I use this time.

Imagine standing in a museum looking at a painting which has a particular geometric pattern. You are standing 12 feet from the wall. As you look at the pattern you notice that you cannot clearly see some of the detail, so you move towards the painting keeping your eyes focused on it. As you get to 9 feet, you lose part of the overall image but you are not yet focused in on the detail. At 6 feet suddenly the detail is clear. While you have lost the

general overall pattern, to your amazement the picture that you see in the detail looks very similar to the overall picture that you saw when you stood 12 feet away. You have just moved one layer in the fractal. Intrigued by this, you notice that from 6 feet away you again see a clear image but an image that appears to have still more detail, so you move in to 3 feet. At 3 feet you again find another layer of detail with patterns that are again similar to those that you saw farther away. You have now moved into the third layer of the fractal image. All fractal images behave this way. You zoom into them at certain distances. You will see a clear pattern as you zoom into them at certain distances. You will see a clear pattern as you zoom in further. At a closer distance you will see a similar pattern. Markets behave this way. You will see several recognizable versions of the Face of God pattern on charts covering different time spans.

Two points are important here. One, that means that markets have more than one scale upon which you will see the pattern. Students of Elliot Wave will recognize that these layers of the fractal image are the same as the Elliot degrees.

The second point that is important here is that there are a limited and distinct number of scales in the fractal pattern. This applies to markets when charts are drawn with the proper scale factor for a given duration of chart. If that is done, geometric patterns, including the Face Of God pattern and the Hannula Market Fractal (from the ***Cash In On Chaos*** course), will be clear. These patterns will only be clear when the charts are properly scaled.

So how then does one scale a chart? The fundamental idea is very simple and straight forward. One scales a chart so that X dollars worth of the stock or commodity is equal to Y natural time units. For example, a chart scaled with one dollar of price per one calendar day would be a possible scale factor.

In this scaling activity X, the price variable, is a "nice round whole number" of dollars or cents or other units of currency. For example, X equal to \$50 is proper, while X equal to \$53.25 is not proper. It is not a "nice round whole number."

Typical numbers that one will find in scaling charts are one dollar, five dollars, ten dollars, a hundred dollars, five hundred dollars, a thousand dollars, etc.

The natural time units for Y include hours, calendar days, trading days, weeks, months, seasons, years, decades, and centuries. These natural time units arose because they were natural measures of the harmonic energies reaching our earth.

We have 24 hours in a day, approximately 30 days in a month, and approximately 365 days, close to 360 days, in a year. When one scales charts to these natural time units those charts will make it easier to find the patterns. These patterns represent the natural harmony that occurs in the markets. This harmony is due to the same forces that the ancients were observing when they set up our time and calendar systems.

A final point about scaling is that one will find that a stock or commodity will have different scales for different time units. However, these scales will tend to be harmonic to each other. By harmonic I mean they will be whole number, or integer, multiples of each other.

For example, a market that has a natural scale of one point per calendar day, may have another of six points per month.

In part this arises from the natural harmonic nature of our time and calendar system. A chart that is scaled one point per week is also scaled four points per month, for a 4 to 1 harmonic ratio. Other harmonic ratios will occur such as 1 point per trading day and 3 points per trading day. Charts scaled harmonically in this fashion will display the patterns that are more directly caused by energies of particular bodies that contribute to the motion of so many dollars per natural time unit. For example, a scale of three full points per trading day in the S&P500 brings out the moon cycles well.

Before diving into scaling, I would like to point out Figure 4-1. This is a graph out of Benoit B. Mandelbrot's paper, "Variation of Certain Speculative Prices", in which he studied cotton. The paper is heavy duty statistical mathematics. The whole point of the paper was to prove that cotton prices followed a class of statistics called Paretian statistics. This is the class of statistics obeyed by fractals. By proving that cotton prices followed these statistics, Mandelbrot proved that cotton prices were fractal in nature.

Mandelbrot proved this with the chart shown in Figure 4-1. In the center of that chart is a curved line which represents a theoretical Paretian distribution of changes in prices over a given time frame. The two dotted curves 1-A and 1-B on the left are statistical curves derived from daily change of cotton prices between 1900 and 1905. Curves 2-A and 2-B are derived from daily cotton prices between 1944 and 1958.

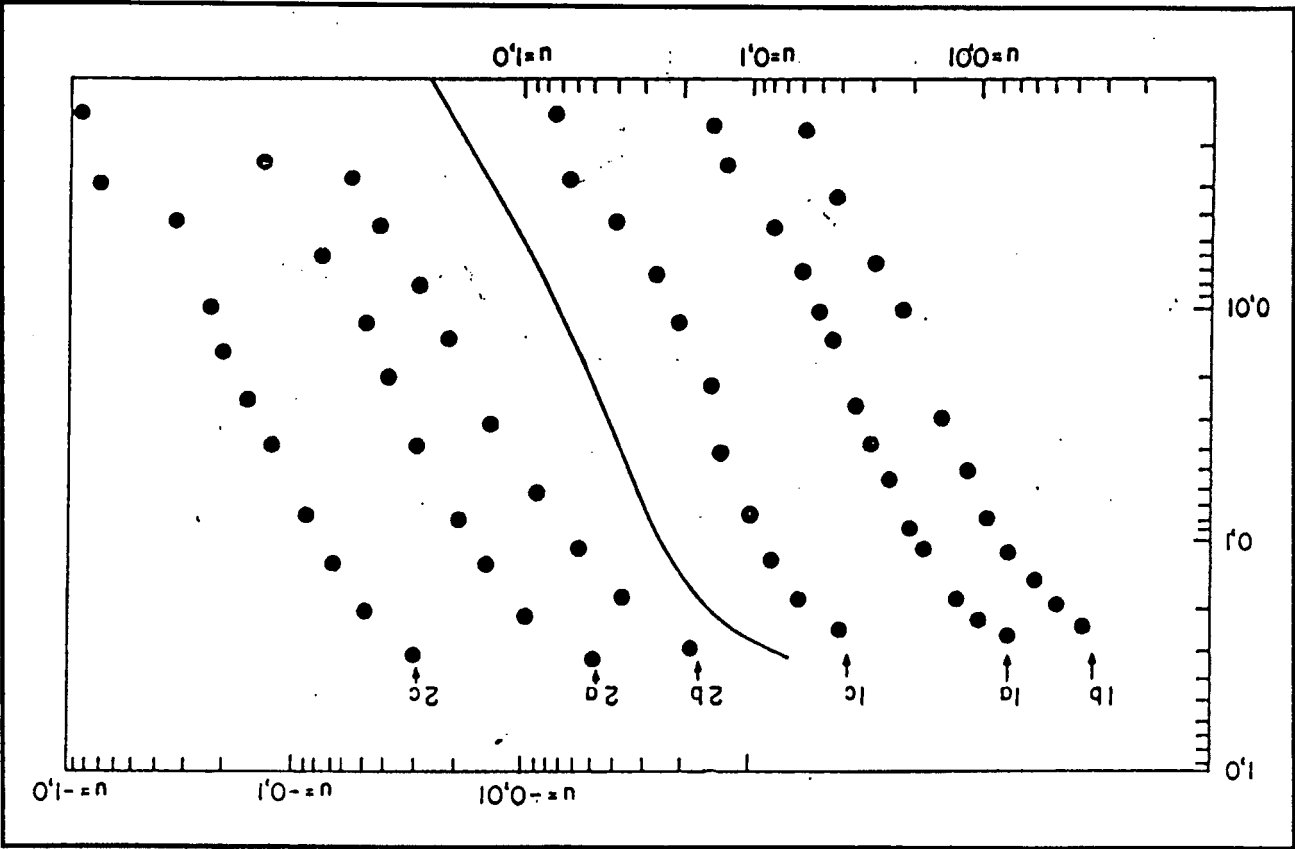


FIGURE 3-1

The dotted curves 1-C and 2-C are changes in monthly prices for 1900 to 1905 and then for 1944 to 1958 respectively. One can see that all six of these dotted curves very closely follow the theoretical shape of the Paretian distribution and that one only needs to move the solid line left or right to line it up with each curve. So the nature of the statistics was proven. Cotton is fractal.

But something else was shown. The separate curves show separate, distinct scales, or layers, in the fractal patterns. These curves are separate because they occur on different scale layers. Dr. Mandelbrot discovered six separate scale factors that were working in cotton prices. He makes this profound statement,

***"This implies that between 1900 and 1950 the generating process has changed only to the extent that its scale has become much smaller."
Benoit Mandelbrot***

In general, Mandelbrot's statement can be broadened to say that over time a stock or commodity will operate, apparently, on many scale factors. These scale factors will be distinct and separate, just as described in the paragraph on fractal self-similarity.

As to the process that was generating the prices, we now know that this process was the Face Of God.

Now let's move on to more details on scaling. Table 4-1 gives a list of commodities and their contract price values in terms of full points of quoted price. This table covers the major commodities traded on the major exchanges. For other markets, your broker can supply the information.

It is important that you understand "points" and prices. Most commodities are quoted in whole numbers without using decimal points. The basic unit represents a "point." The contract value changes by so much per point of quoted price. The S&P contract changes \$5 per point.

The word "point" has a dual use in the industry. One use is as outlined above. This seems to be the common use by pit traders. Brokers quoting prices to customers will often use the word a "point" to mean a one unit change in the quoted price. They may tell you that the S&P was "up 3 points" when it moved from 426 to 429. The pit trader would call that 300 points. Sometimes the broker may say "full point". Usually the context makes it clear. For making your charts, use of full points is recommended. Just be aware of the dual use of the word.

Each contract also has a particular "tick" size. A tick is the smallest change in price that can be made. For example in the S&P 500, a price of 511 is 100 points higher than a price of 510. The tick size, or the minimum change in price, is 5 points, so prices can be quoted at 510.00, 510.05, 510.10, etc. Each tick change of 5 points represents a price change of \$25. That means as the contract goes from 510 to 511 in quoted price, the actual value of the contract increases by 100 points, 20 ticks, or \$500.

COMMODITY CONTRACT CHANGE PER FULL POINT

WHEAT	\$50
CORN	\$50
SOYBEANS	\$50
SOYMEAL	\$100
SOYOIL	\$600
ORANGE JUICE	\$150
COCOA	\$1000
RAW SUGAR	\$1120
FEEDER CATTLE	\$500
LIVE CATTLE	\$400
LIVE HOGS	\$400
PORK BELLIES	\$400
LUMBER	\$160
TBONDS	\$1000
TBILLS	\$1250
S&P500	\$500
COPPER	\$250
GOLD	\$100
SILVER	\$50
HEATING OIL	\$420
UNLEADED GAS	\$420
COFFEE	\$1000
SWISS FRANC	\$1250
DMARK	\$1250
EURODOLLAR	\$2500
BRITISH POUND	\$625

TABLE 4-1.

This is not as confusing as it seems. Look again at Table 4-1. Look at the listing for gold which is the 100 ounce contract on the Metals Exchange. When the price of gold goes from 380 to 381, it's moved up 100 points, or one "full point" so its value has increased \$100. That change of \$1 (a "full point") in quoted price really represents a change of \$100 in the contract value. It is this change of \$100 in the contract value that would make a "nice round whole number" for scaling to Y natural time units. A very common natural time unit is \$1 or "one full point" change in price per calendar day.

Here are some other examples. In the large Swiss Franc contract a \$1 change in quoted price, such as from 80 to 81, represents a 100 point change (one full point) or an increase in contract value of \$1250. Wheat is quoted in cents per bushel. A 1 cent change in the price of wheat from \$3.89 per bushel to \$3.90 per bushel would be a change of \$50 in the contract price. Treasury bonds are quoted somewhat differently in that they are quoted in

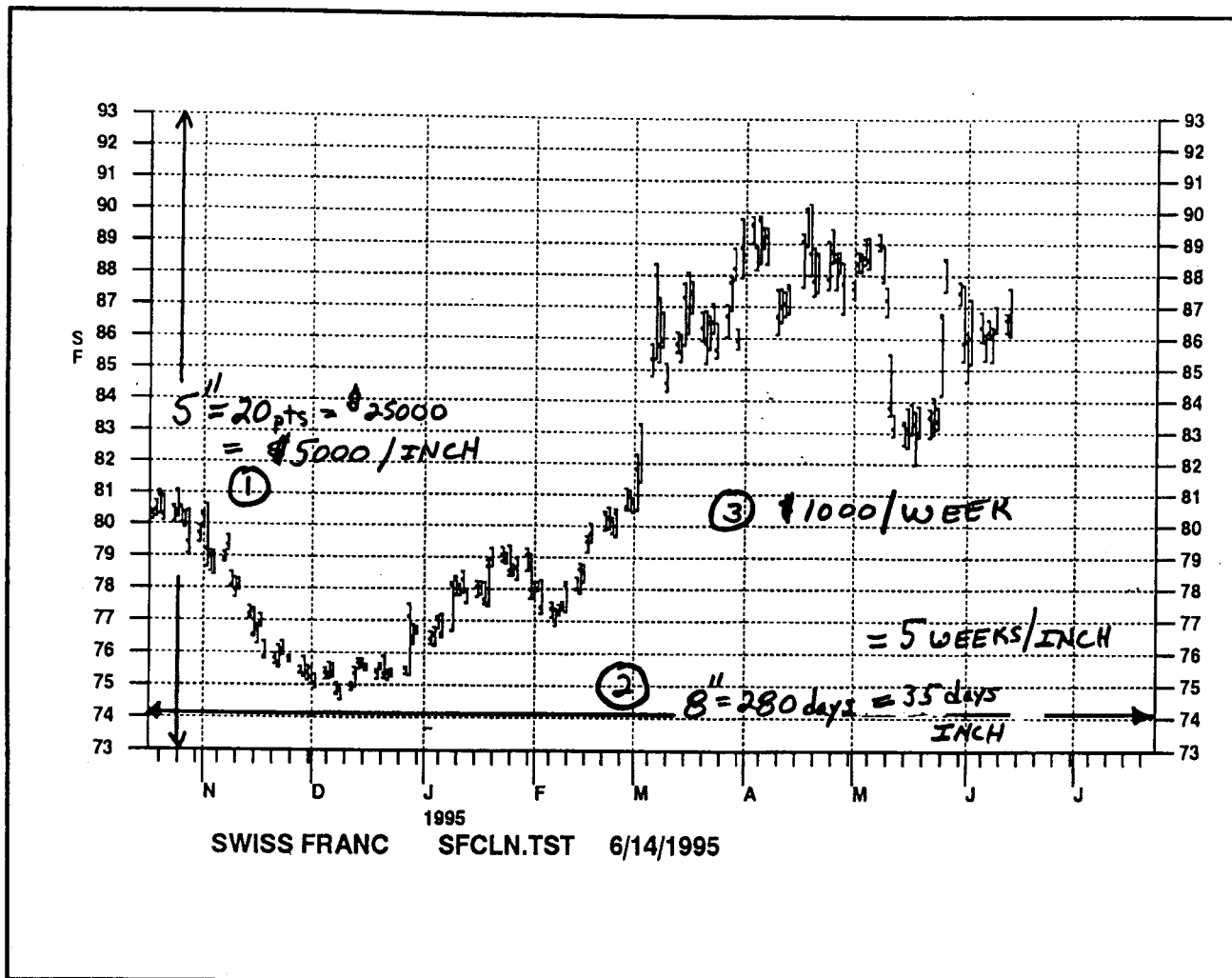


FIGURE 4-2.

1/32's, so there are 32 units per one dollar change in the quoted price. When bonds go from 93 to 94 they go 32/32's. That represents 32 times \$31.25 equals \$1000.

Your goal in scaling is to make the contract price value as expressed in dollars change a nice whole round number of dollars per natural time unit. Refer now to Figure 4-2. This is a chart which has a 5 inch vertical scale shown by number 1 and an 8 inch horizontal scale shown by number 2. Look at number 1. The 5 inch scale has prices changing from 73 to 93. That change of 20 full points in the quoted price represents 20 times \$1250, or \$25,000 change in the contract. In terms of space taken up that represents \$5000 per vertical inch. Similarly, there are 280 days in the 8 inches of the horizontal scale. 280 divided by 8 is 35 days per inch. If 35 days is divided by 7 days, one can see that the scaling represents 5 weeks per horizontal inch. In other words, as shown by item 3 on the chart, the scale factor on this chart has been set up as \$1000 per week. That is a nice round whole number of dollars per natural time unit.

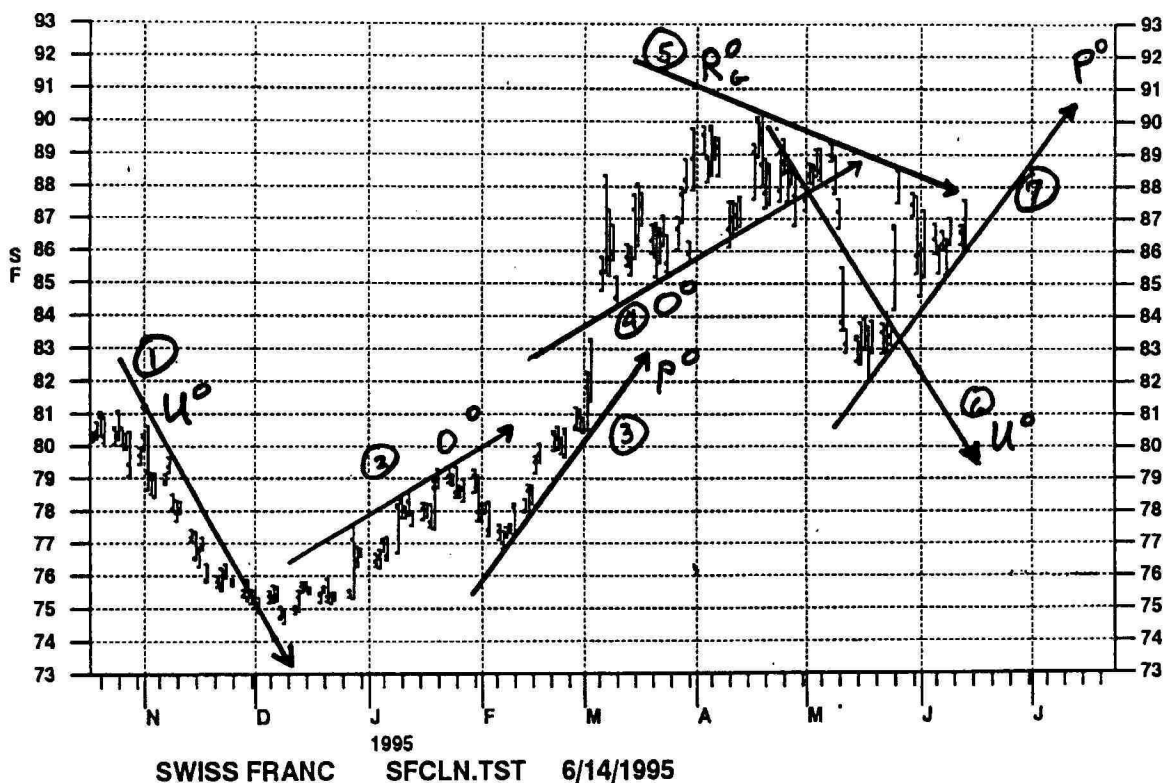


FIGURE 4-3.

The reason for doing this is so that the angles on the Face Of God pattern show up nicely on the chart. Look at Figure 4-3. Line number 1 is a down-sloping line that slopes at the angle of Uranus that is noted on the chart with a U with a degree sign as a superscript. Line number 2 slopes at the angle of the Moon's Node. Line number 3 is at the slope of Pluto. Line number 4 is at the slope or angle of the Node line. Number 5 slopes down with the same slope as Mars geocentrically. Line number 6 is sloping down at the slope of Uranus and line number 7 is sloping up at the slope of Pluto.

Now do you see the value of the scaling? ***If the scaling is correct the angles on the Face Of God pattern work.*** They tell you something. They can become your "guardian angels".

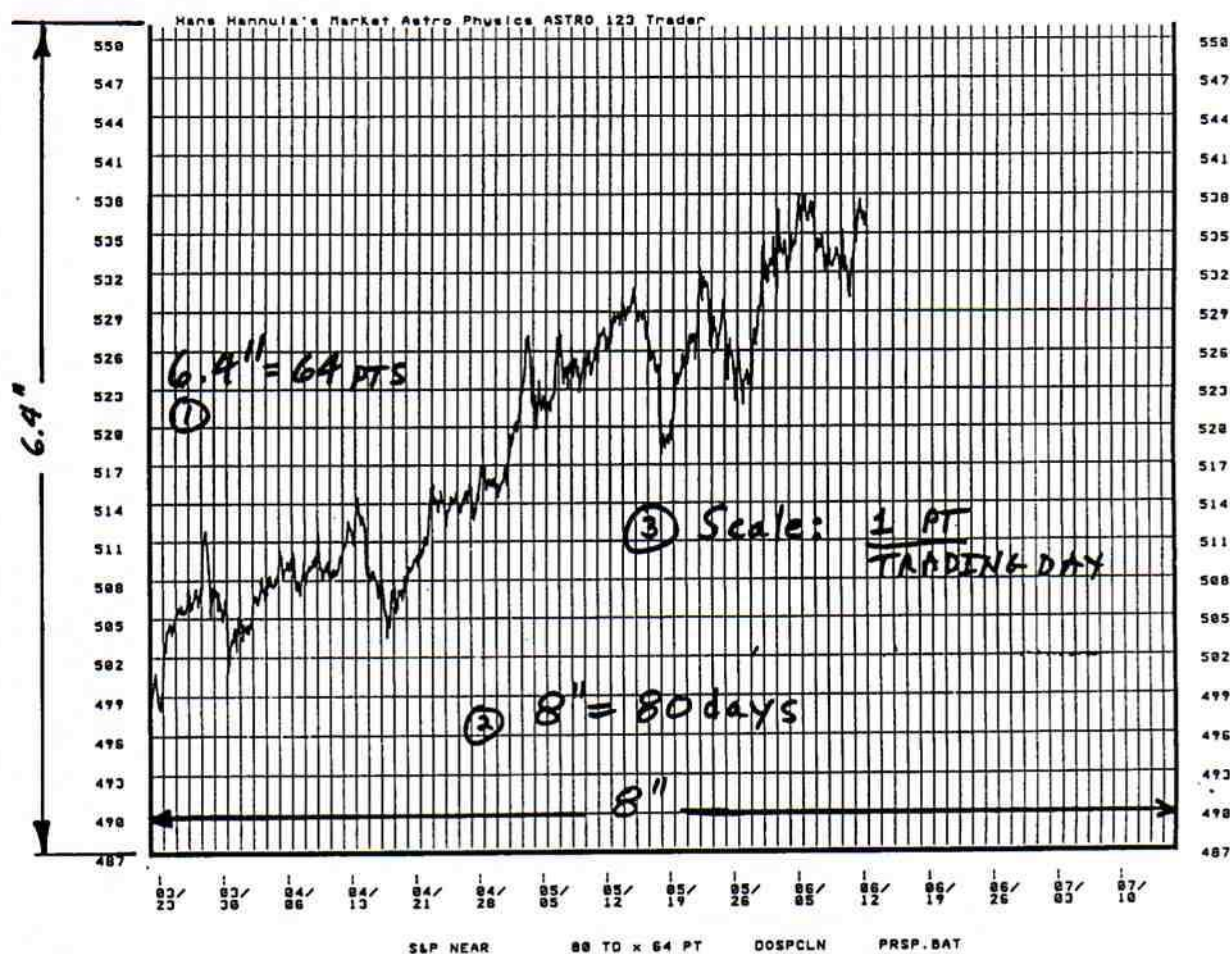


FIGURE 4-4.

Now let me show you several scalings that work on different fractal layers in the S&P 500. Figure 4-4 has a vertical scale of 6.4 inches covering 64 points and a horizontal scale of 8 inches covering 80 trading days. Therefore, the scale is 1 full point per trading day.

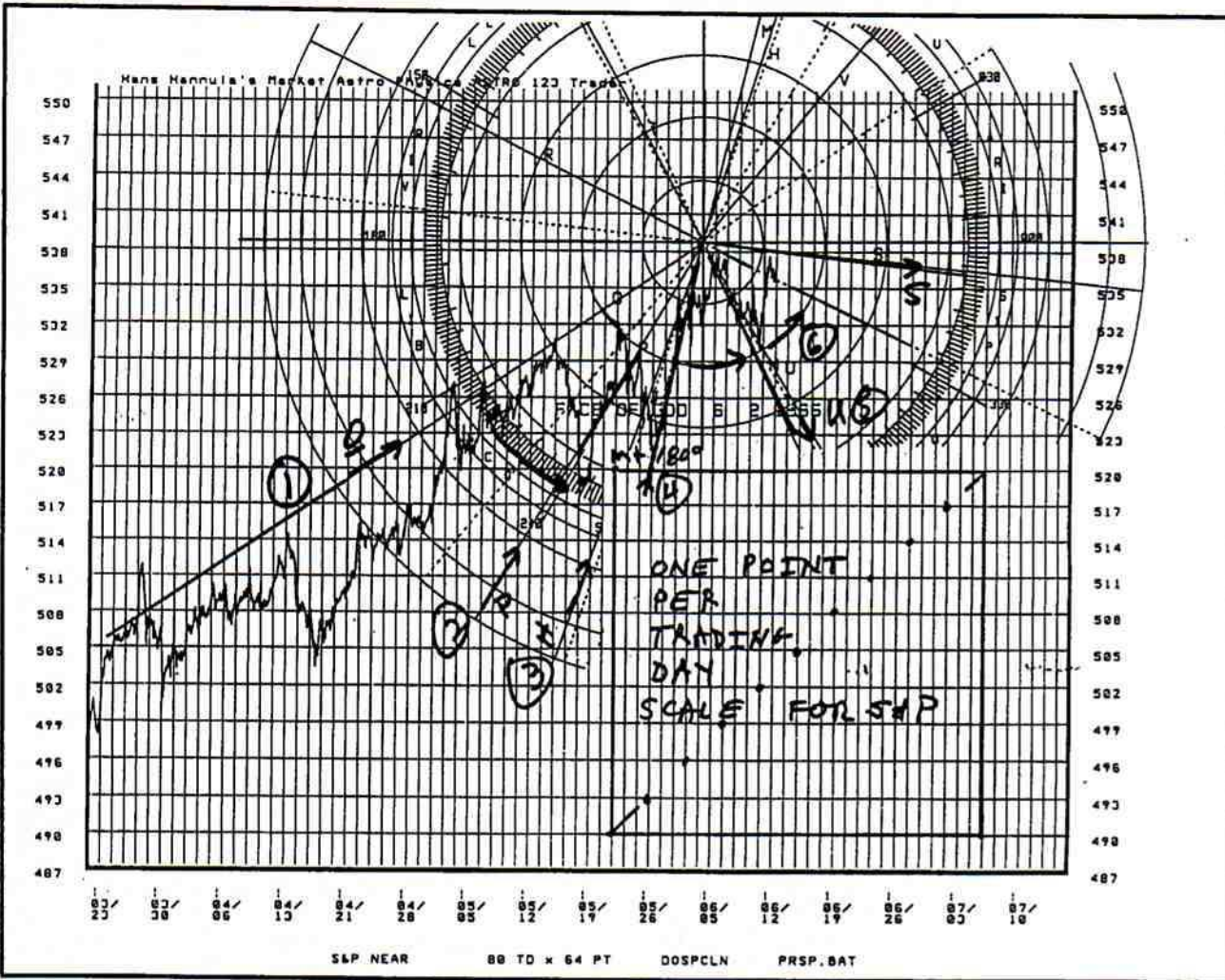


FIGURE 4-5.

Figure 4-5 shows the same S&P chart with a Face Of God pattern overlaid on it. You notice at Point #1 the Node line is coming up across the highs. You can see evidence of the Pluto line moving up through prices at Point #2 and at Point #3 you can see the Sun line cutting up toward the center. At Point #4 we have the Mercury + 180 degree line moving up toward center. When prices hit the center they then move down the Uranus line at Point #5. Notice also the highs and lows that followed along the arc at Point #6.

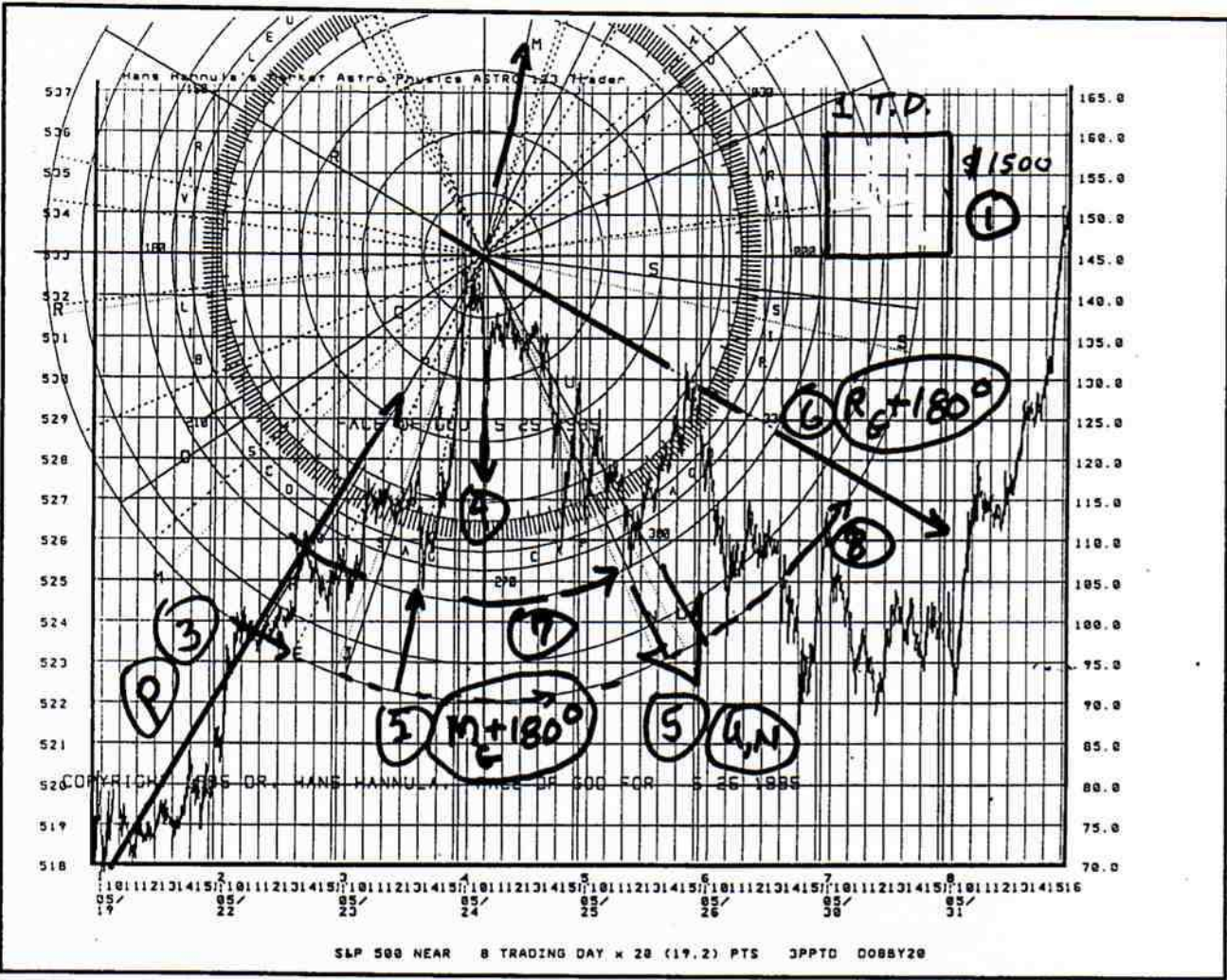


FIGURE 4-6.

Figure 4-6 shows a chart scaled at \$1500 per trading day indicated by Point #1. Notice at Point #2 the sharp rise up the center of the FOG pattern that followed Mercury geocentric plus 180 degrees. Point #3 shows the Pluto line riding along the highs going up into the center of the Face Of God pattern. Point #4 is the vertical drop that occurs near the center of many FOG patterns. After that drop, prices generally followed the Uranus-Neptune energy beam coming down as shown at Point #5. They then rallied up to the Mars + 180 degree line as shown at Point #6. Notice also how the arcs at Point #7 and Point #8 revealed congestion as well as support and resistance points.

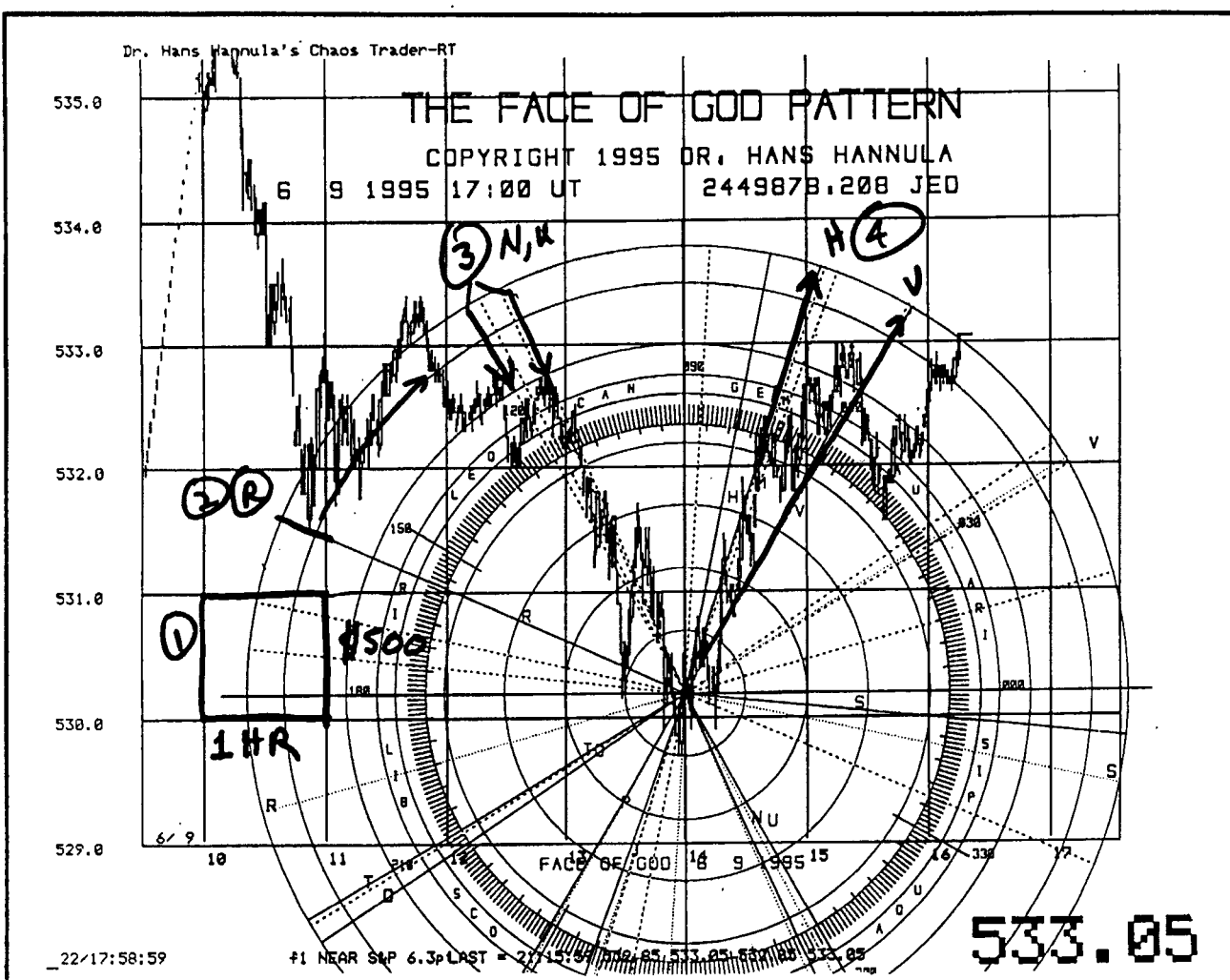


FIGURE 4-7.

Figure 4-7 shows an intraday S&P chart scaled at \$500 per hour as indicated at Point #1. At Point #2 notice that the Mars line stopped the early sell-off. Prices then moved along the arc up to Point #3 where they were sucked down toward the center by the Neptune-Uranus energy beams. From that center they blasted up in the wedge between the Sun line and the Venus line as shown at point #4.

Notice how on each of these scalings of the S&P, the Face Of God pattern fits nicely. The reason for these multiple scalings is that all the energy cycles that help to move prices have to harmonize with particular harmonic ratios. These harmonic ratios were established by the ancients who very wisely and carefully set up our time and calendar systems. If we then set up our vertical price scale to nice whole round numbers, the fractal layers of price action in a market will be revealed. ***On each and every layer prices follow the Face Of God pattern.***

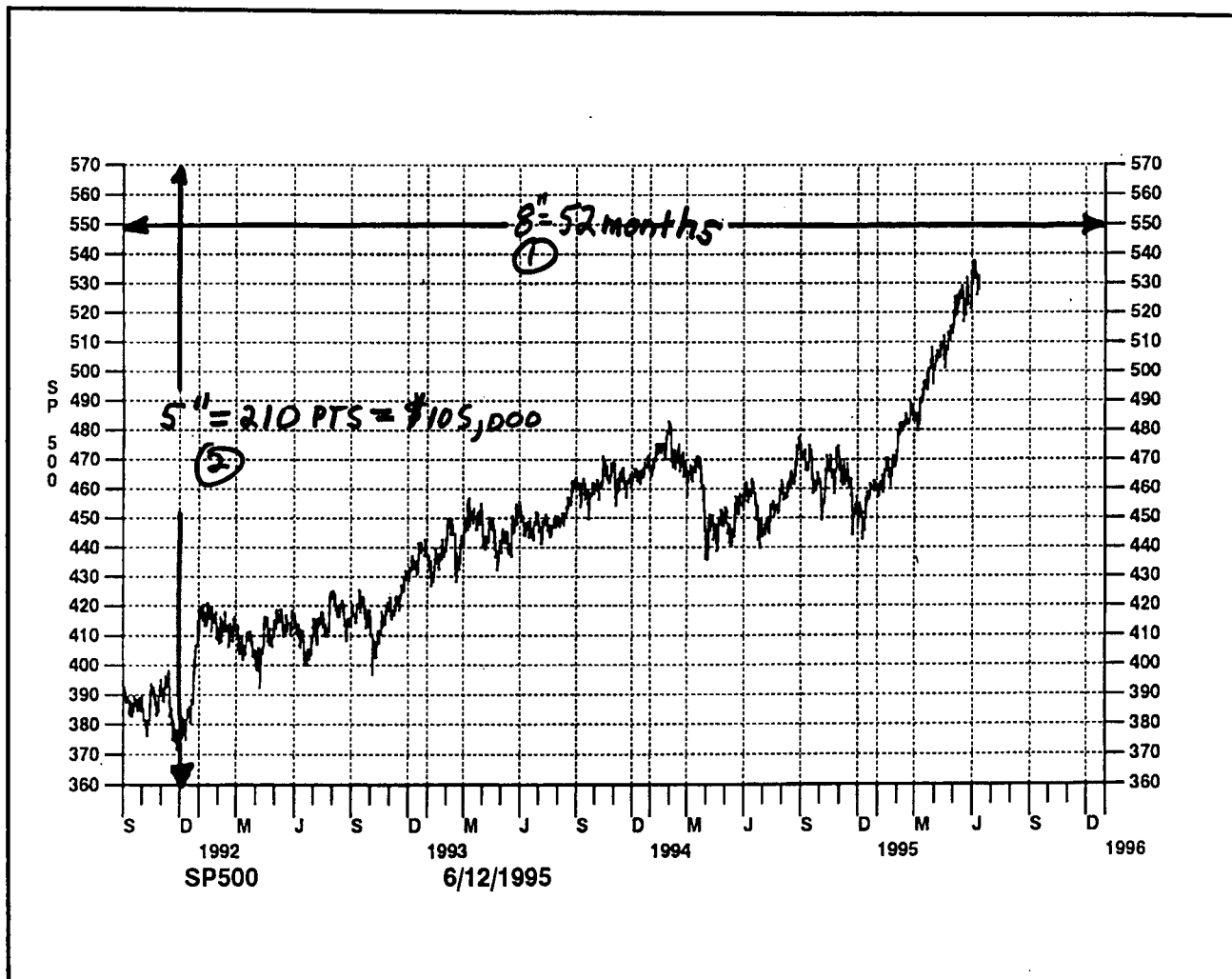


FIGURE 4-8.

Now let us turn our attention to another problem, that of finding a natural cycle from a chart that just "looks good." It has been my experience that people intuitively or naturally will frequently scale a chart very close to a nice natural scale factor. Figure 4-8 is one such chart. It is one that I have used for some time and I initially set up the scaling because I was using the mylar overlays provided with the "Cash In On Chaos" course. This seemed to be a scale factor that worked pretty well.

Point #1 shows that the 8 inch interval occupies 52 months while the 5 inch vertical interval represents \$105,000 change in the contract value.

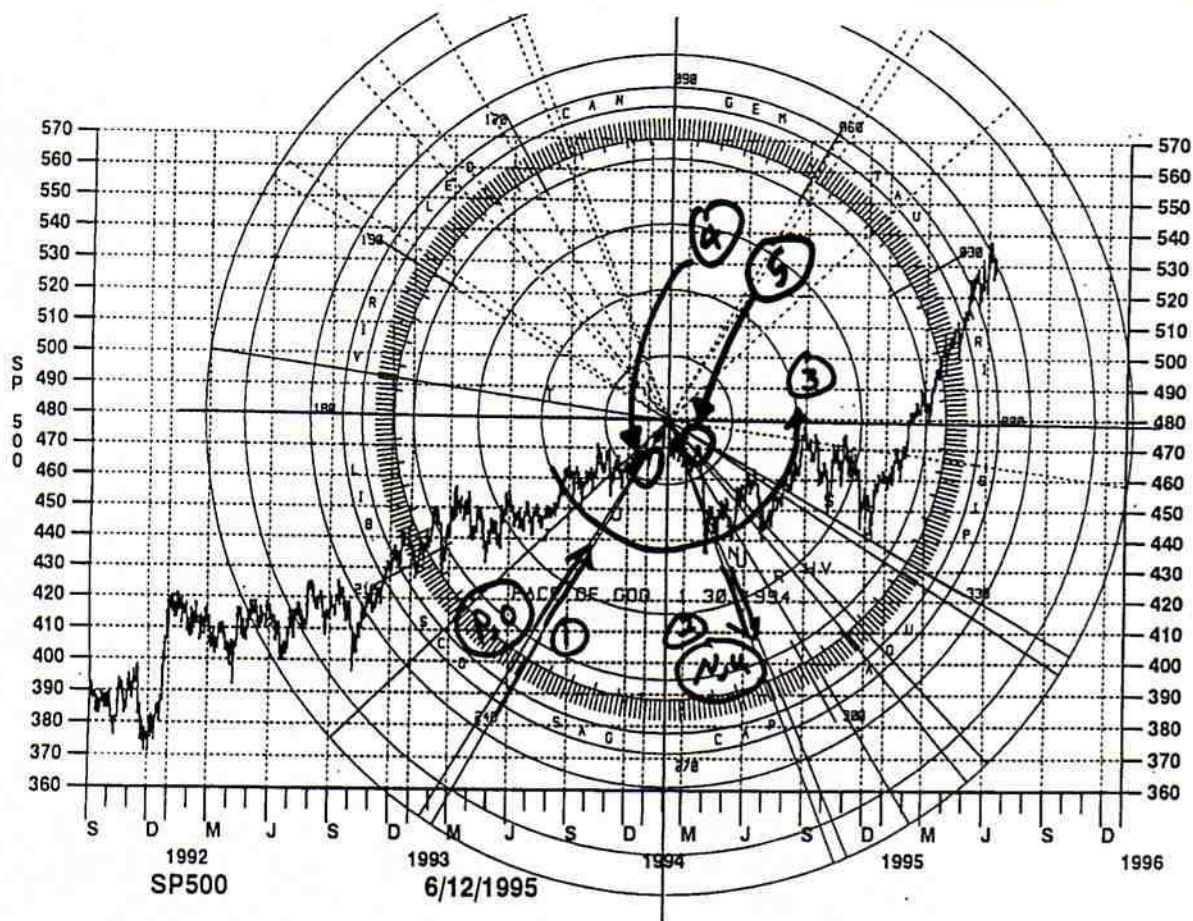


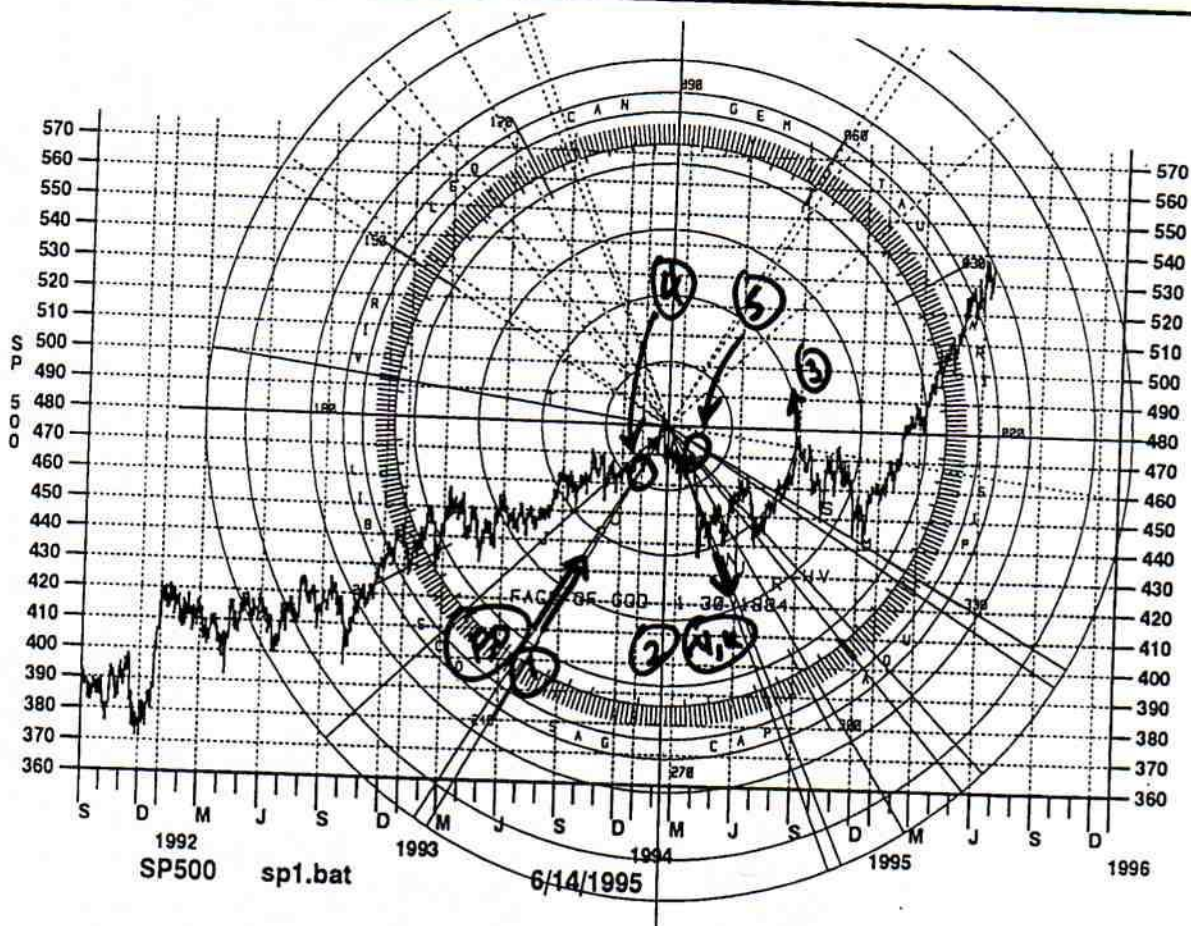
FIGURE 4-9.

Figure 4-9 shows what happened when I placed a Face Of God pattern on the early 1994 high. Point #1 shows the fast rally moving up along the Pluto and Node line. After the high, prices sold off along the Neptune-Uranus line as shown at Point #2.

Point #3 shows the late summer rally of 1994 following a nice arc. But notice that at Point #4, part of the price action was not contained by the Pluto-Node line. Also, at Point #5 the high fell between two of the down-sloping lines. Also notice that the rally at Point #3 was not quite on the arc. These are all very subtle clues that the scale factor chosen is close to a natural scale factor, but not quite exact.

One can never be too exact or be too careful when scientifically investigating market behavior. Be as precise as possible in your measurements and in your charting. Let us examine this scale. The 52 months in 8 inches represents 6.5 months per inch while the vertical scale represents \$21,000 per inch. \$21,000 divided by 6.5 months equals \$3230.77. This is not a nice whole round number of dollars per natural time unit.

Now we are left to find some natural time unit which is close to some whole round number. One can try all the natural time units. The one that works in this case is seasons. A season is 3 months. There are 6.5 months per inch divided by 3 equals 2.1666 seasons per inch.



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FIGURE 4-10.

If the \$21,000 per inch is increased just slightly to \$21,660.66 per inch, then we have a scale factor of \$10,000 per season in the contract price. Figure 4-10 shows the improvement made by this slight change in scale factors. The point that missed the line at Point #4 in the prior chart is now on the line. The Point #5, which was between lines, is now hit exactly by the down-coming Venus line. The rally along the arc at 3 is exactly on the arc.

While these slight changes in accuracy may not seem significant to you now, I assure you, over time, you will become very adamant about using precise and well understood scale factors. Once found, a natural scale factor is set in stone. You never have to change it. The patterns just keep fitting.

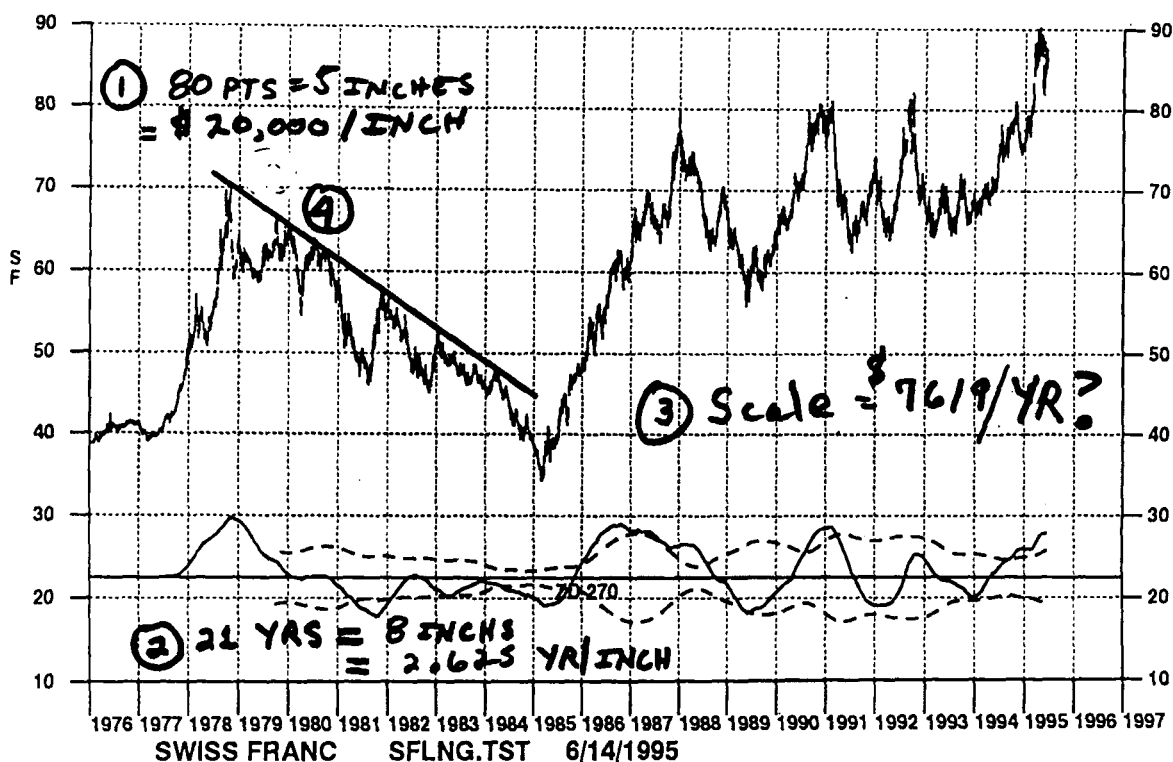


FIGURE 4-11.

Now refer to an even longer term chart, that of the Swiss Franc shown in Figure 4-11. The vertical scale as shown in Point #1 represents \$20,000 per inch. The horizontal scale covers 21 years in 8 inches or 2.625 years per inch, shown in Point #2. This results in a scale factor of \$7,619 per year, shown in point #3.

This looks like a very strange scale factor. Is there a way that we might find a better one? Look at line 4. That looks like a nice straight line and it may be a line that is visible in a FOG pattern.

Here is an idea. Let's try a FOG pattern for the first day of 1981 and see if one of the FOG lines doesn't line up with line #4. That FOG pattern is shown in 4-12.

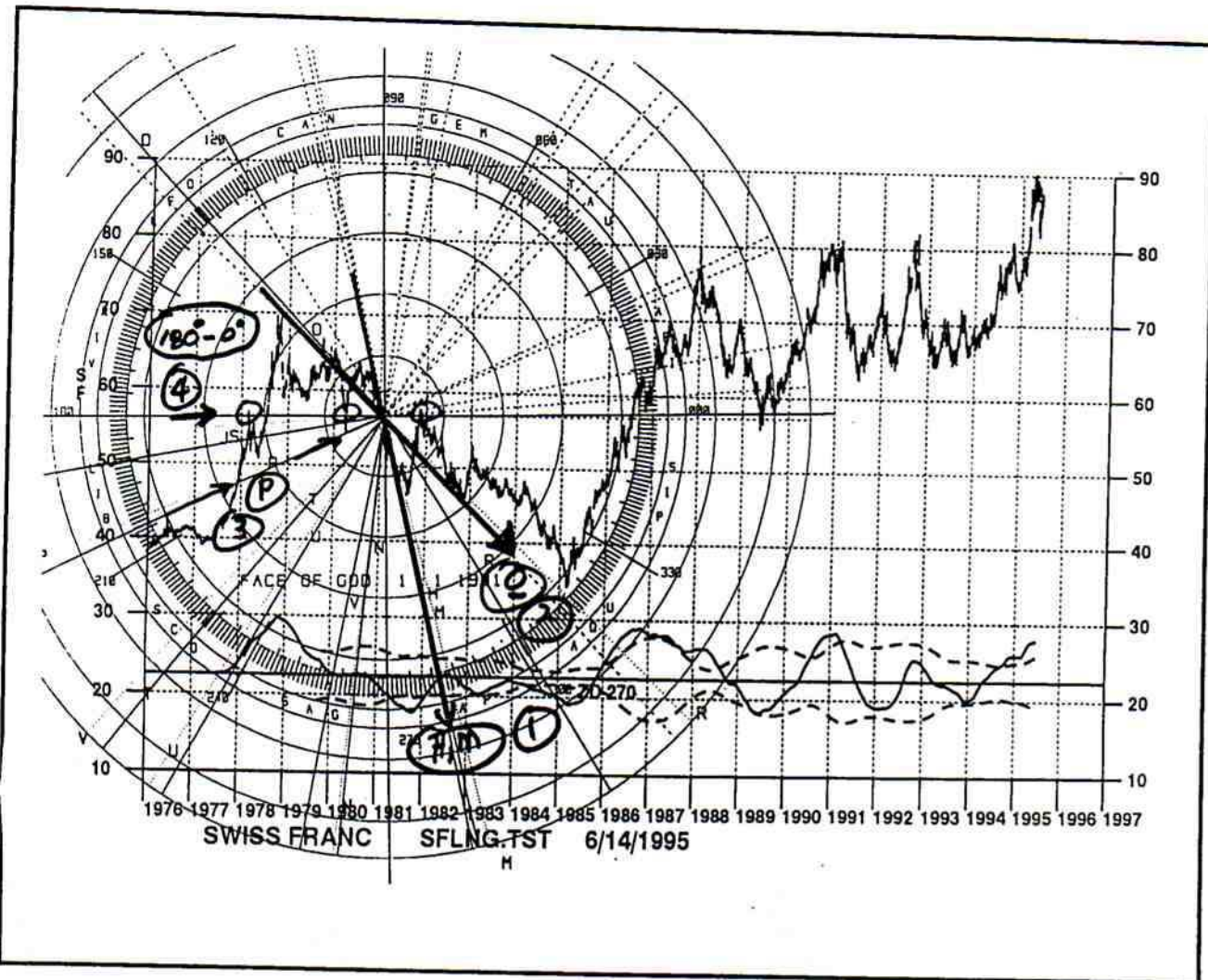


FIGURE 4-12.

The line #4 from Figure 4-11 does not show up, but the steep decline in progress at the start of 1981 falls exactly on the Sun and Mercury line shown in point #1. Point #2 shows the Node line coming down across the highs and catching the lows in late 1982. Point #3 shows the upcoming Pluto line and Point #4 shows the horizontal line that runs from 180 degrees through zero degrees catching several highs that are circled. All in all, this is not a bad fit for a FOG pattern.

So, what to do? How about trying another FOG pattern, say for the low in 1985.

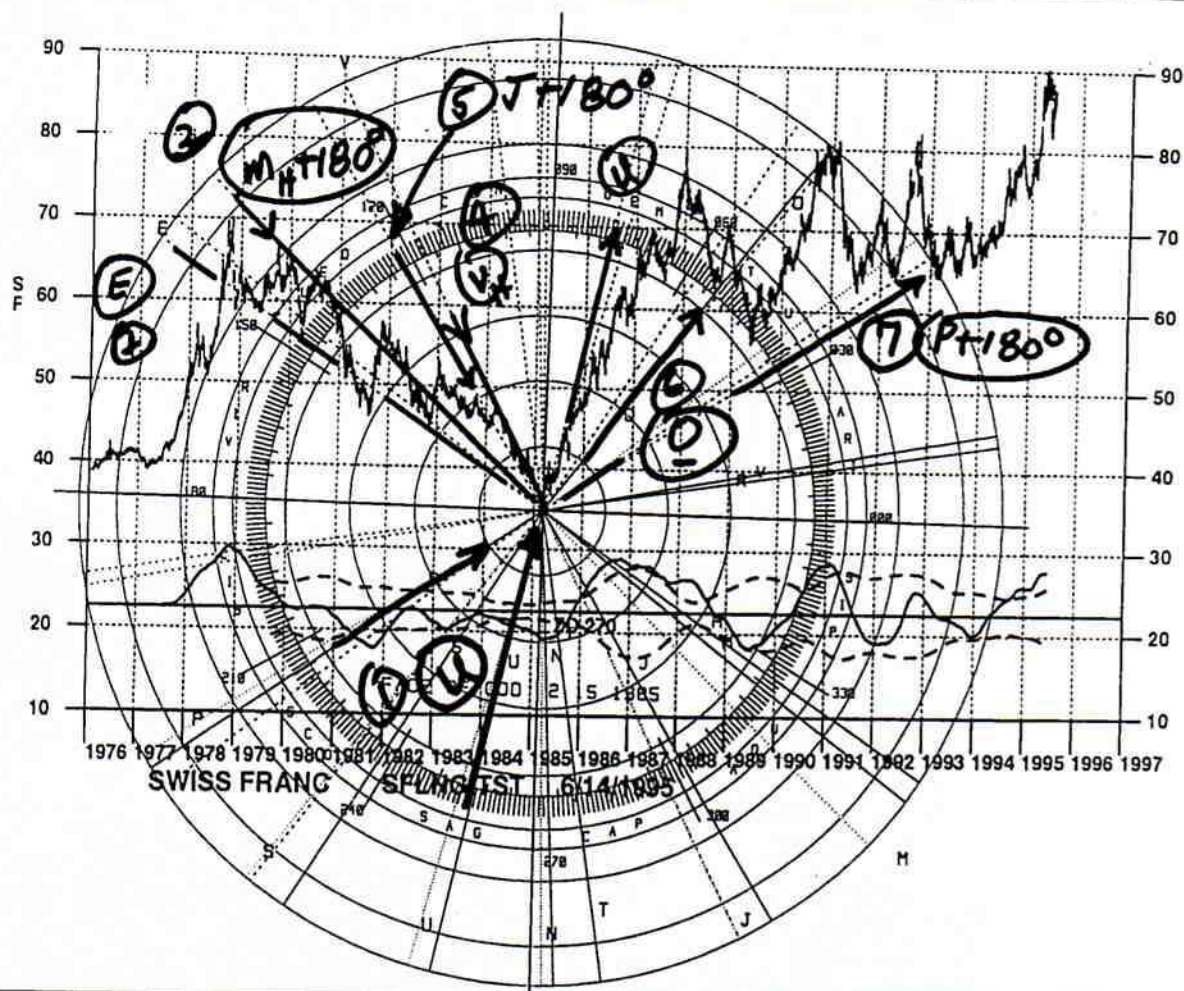


FIGURE 4-13.

Figure 4-13 shows a FOG pattern placed at that low. Wow! It seems pretty decent. The short rally out of that low went up the Uranus line shown at point #1. The decline into that center worked between Mercury + 180 degrees and Earth as shown in points #2 and #3. The final phase of that decline came right down the Venus line shown at point #4. The high clear out in 1990 fell on the Node line labeled #6. The 1993 lows occurred very close to the Pluto + 180 degree line shown at #7. This again is not a bad fit for a FOG pattern.

That must mean the scaling is pretty good already, so only minor tweaks should be made. Let's go back and look at the scale factor. It was \$7,619 per year. Suppose we decrease that just slightly to \$7,500 per year. Is this a good whole round number? It is. One way to find good whole numbers is to divide that number into the 360 degrees of a circle. Permit multiplication or division of the number by 10, 100 or 1000. For example, if we take \$7,500 and divide it by 1000, we get the number 7.5. The circle of 360 degrees divided by 7.5 is 48. Is that a natural harmonic ratio? How many hours do we have in a day? The ratio of 48 is just twice the ratio of 24. So it is a nice harmonic scale factor.

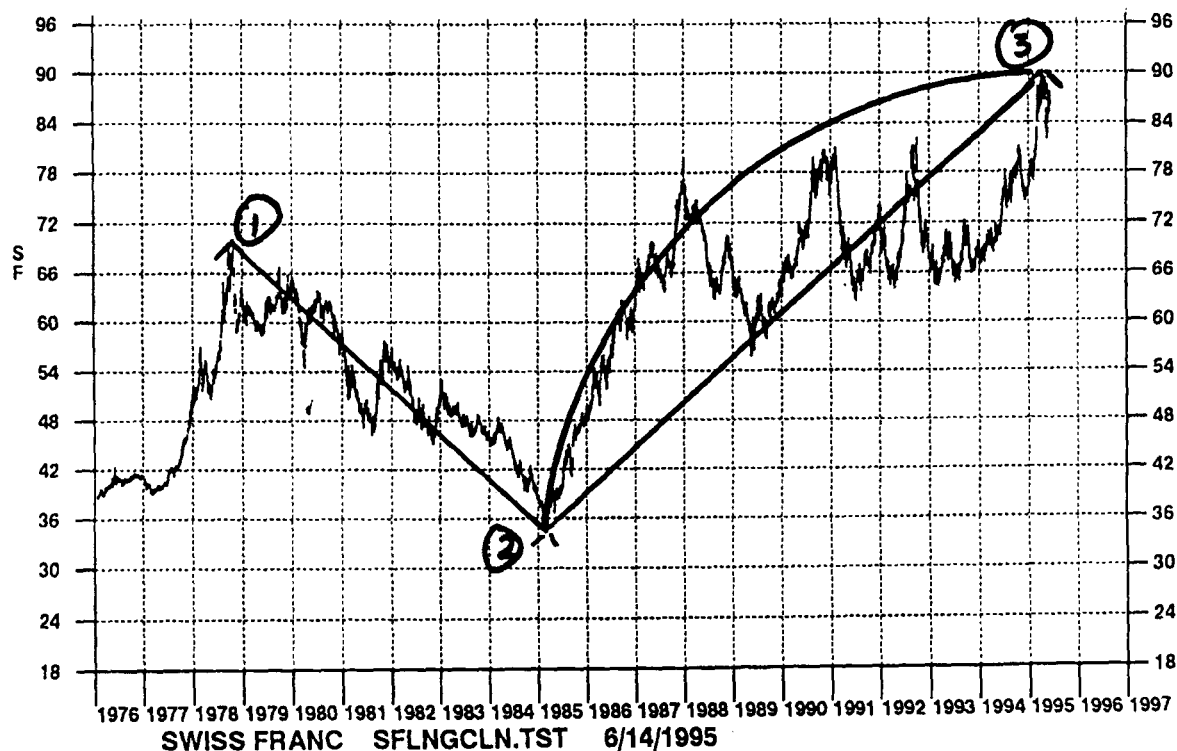


FIGURE 4-15.

Figure 4-15 has two Hannula market fractals as taught in the "Cash In On Chaos" course. One of them lies between point #1 and point #2 and the other falls between point #2 and point #3. Both fractals are of precise sizes. The mylar overlays provided with the Cash In On Chaos course are precisely scaled, mathematically computed, geometric patterns. When they are laid on well scaled charts they fit extremely accurately. How accurately can be appreciated by looking at the Chaos Clamshell shown between points #2 and #3. Keep in mind the Chaos Clamshell is a gross simplification of the Hannula Market Fractal. It does not show all the detail. The fit is very good.

Those of you who have taken the "Cash In On Chaos" course may wish to try your mylar overlays on this chart and other well scaled charts. You will be amazed at how exactly they can fit. They make a good companion tool for the Face of God pattern, and can be used to confirm a good scale factor.

We have now covered scaling. At this point you know what the Face Of God pattern is. You know how to draw it. You know how to scale your charts and draw your charts. Now it's time to learn how to apply it to trading.

5. A Day of Live Trading

I don't have a clue how this chapter is going to turn out. It's the morning of June 15, 1995. I'm going to write this chapter on the fly.

I will write it as I trade, showing you what I see just as if you were here with me. As the markets unfold I will be using the Face of God pattern and showing you as best I can how to use it. To select and make trades as the day unfolds, I will be tracking the S&P 500 and the Swiss Franc markets using one minute charts. Both are scaled to \$500 per hour as discussed in the last chapter.

Before the markets open I want to give you an overview of the trading approach. The first goal when the market opens is to figure out how today's data fits in with yesterday's. Although us humans turn the markets on and off, the planets don't quit. But somehow what they do today will be harmonious with yesterday. The Face of God pattern will find some way to fit yesterday's data and today's data together. Once we get our bearings, our job is to find trading opportunities. These are typically found near the FOG pattern centers.

The goal, then, will be to try to match the pattern to current prices, finding a center that has not yet occurred. As we approach that center we'll place stop orders to enter a trade when prices leave the center.

Once we are entered into a trade, our goal is to take profits. I will be using a 2 contract entry with the approach of taking a quick profit on one contract at a fixed gain and letting the other contract ride. I call this second contract the booster approach. It boost profits and morale.

I have found it is far easier to make a quick small gain than it is to make the eventual big gain. On the other hand, one likes to catch an occasional big gain. What I tell myself is that the good Lord feeds the swallows, but he feeds them with birdseed. If I want to fly, maybe I should eat birdseed.

All we need to start the day is our computer system up and running, valid live data coming in, a clear head, and our Face of God pattern on a mylar overlay. I have carefully set up my computer screens and have adjusted the scaling on them such that I can hold the mylar overlay directly up to the screens. During the day I will be doing screen dumps to my printer so that I can produce the charts used in this chapter.

I will discuss each market separately, but in reality, what I am doing is interweaving the trading of both markets. If I wrote them intermingled, I might lose you, so I won't. Ready? Let's go.

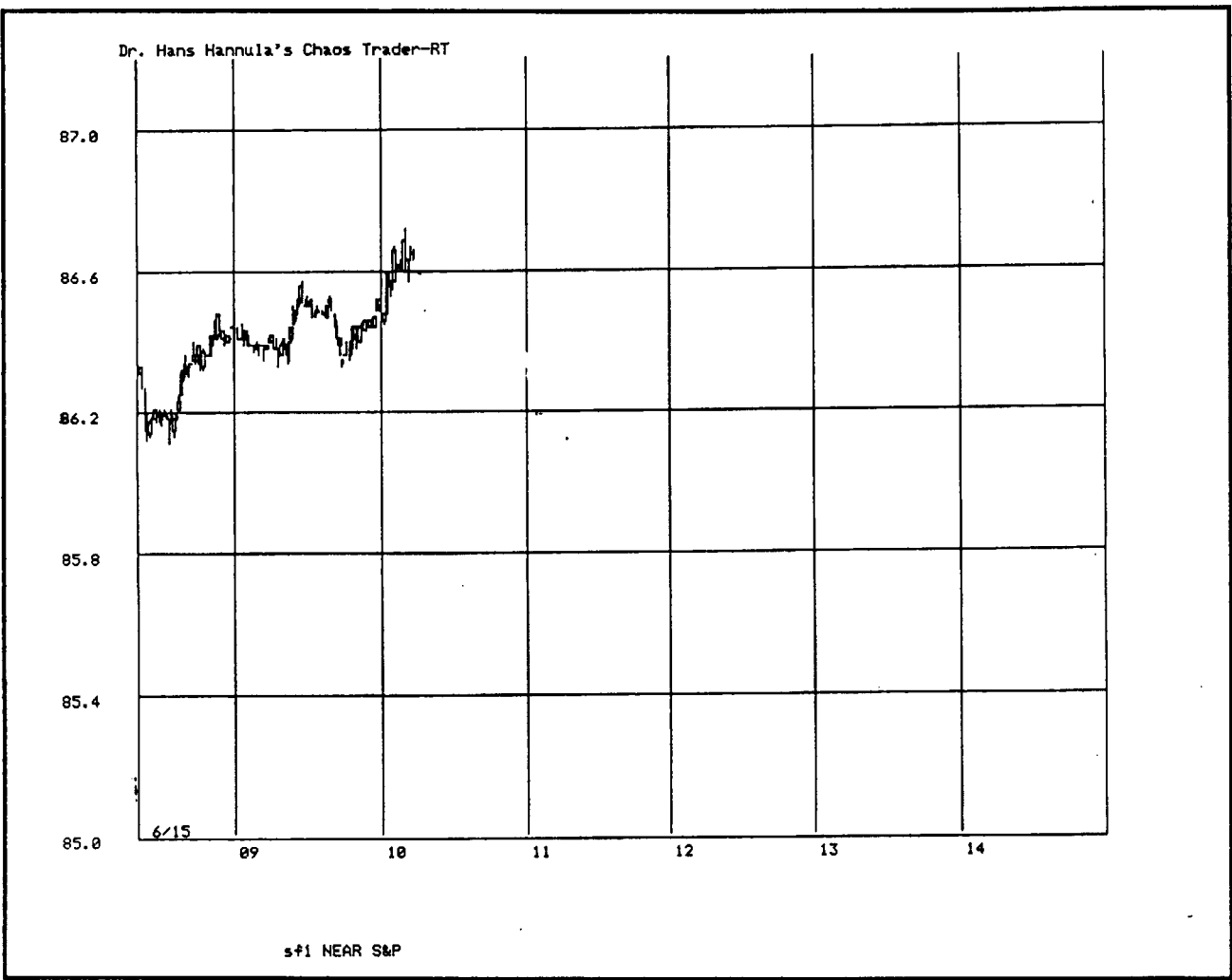


FIGURE 5-1.

Well, it is a little bit after 10:00 Eastern. I am a little slow this morning. Had a little trouble waking up. Nothing has really caught my eye until now.

Chart 5-1 shows this morning's Swiss Franc market. That steep rally of the last 20 minutes has caught my eye. It is near the end of a gradual rally throughout the day. Let's see what FOG shows.

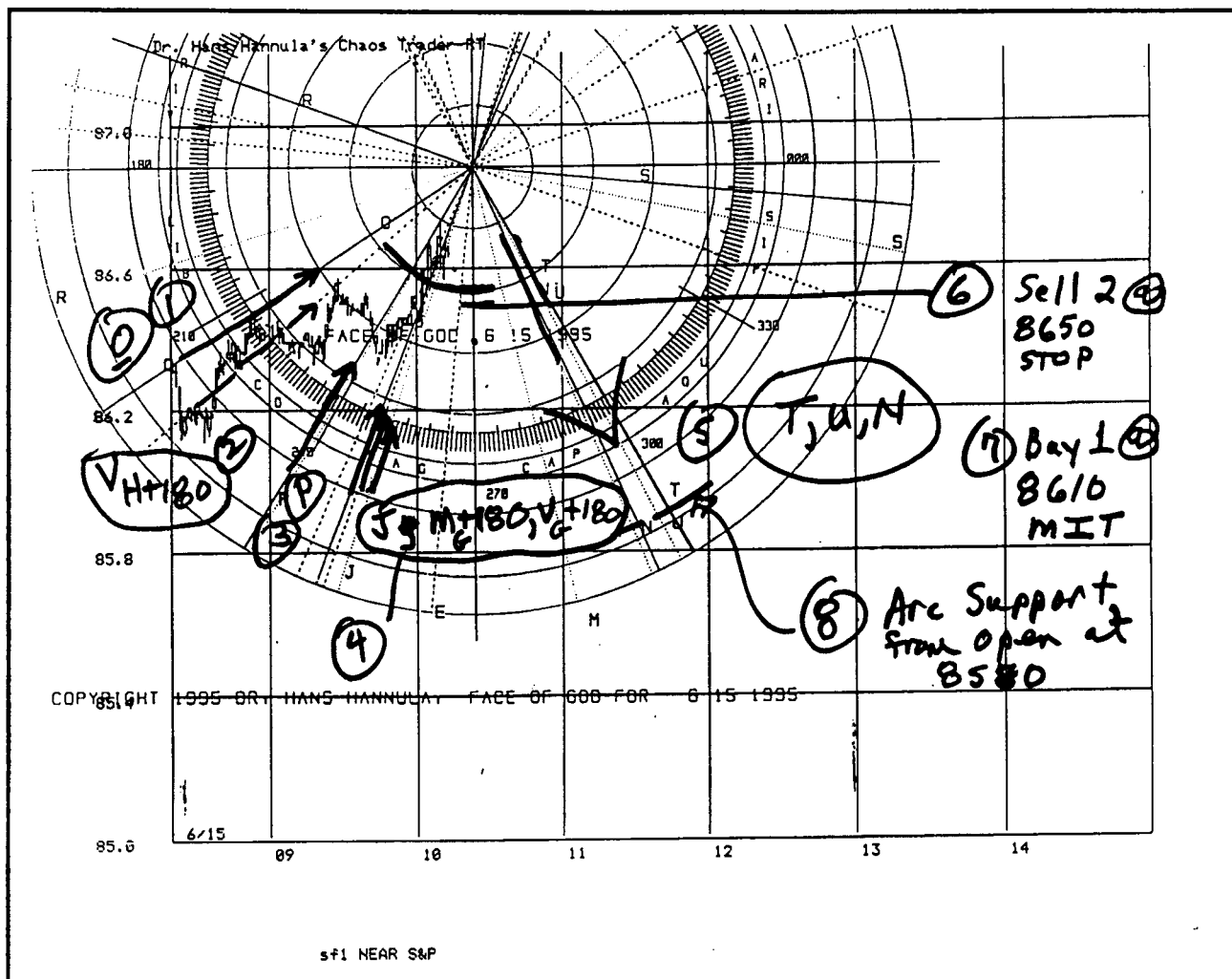


FIGURE 5-2.

Figure 5-2 shows the FOG pattern overlaid on the Swiss Franc prices. At Point #1 I have aligned the node line along the early highs. At Point #3 I have aligned the Pluto line along the most recent highs of the fast rally. At Point #4, Jupiter-Mercury + 180 degrees and Venus + 180 degrees form a supporting line under the fast rally. Point #2 from the early congestion is Venus heliocentric + 180 degrees.

This FOG pattern shows that we may be coming in for a vertical move. Since we are running up into a center, I will anticipate that the vertical move is probably a turn down because at Point #5 we have the moon, T, conjunct Uranus and Neptune moving away from that center.

If I look at the last minor low and the arc just below it, I see that I can place my entry order to sell two contracts at 8650 stop, as shows at point #6.

At the same time I will also enter my booster order to buy one contract at 8610, market if touched. That is a \$500 quick profit if it happens. Also, I anticipate that in the best case we would sell off to about 8580 where we pick up arc support from the open. That is shown with point #8 on Figure 5-2.

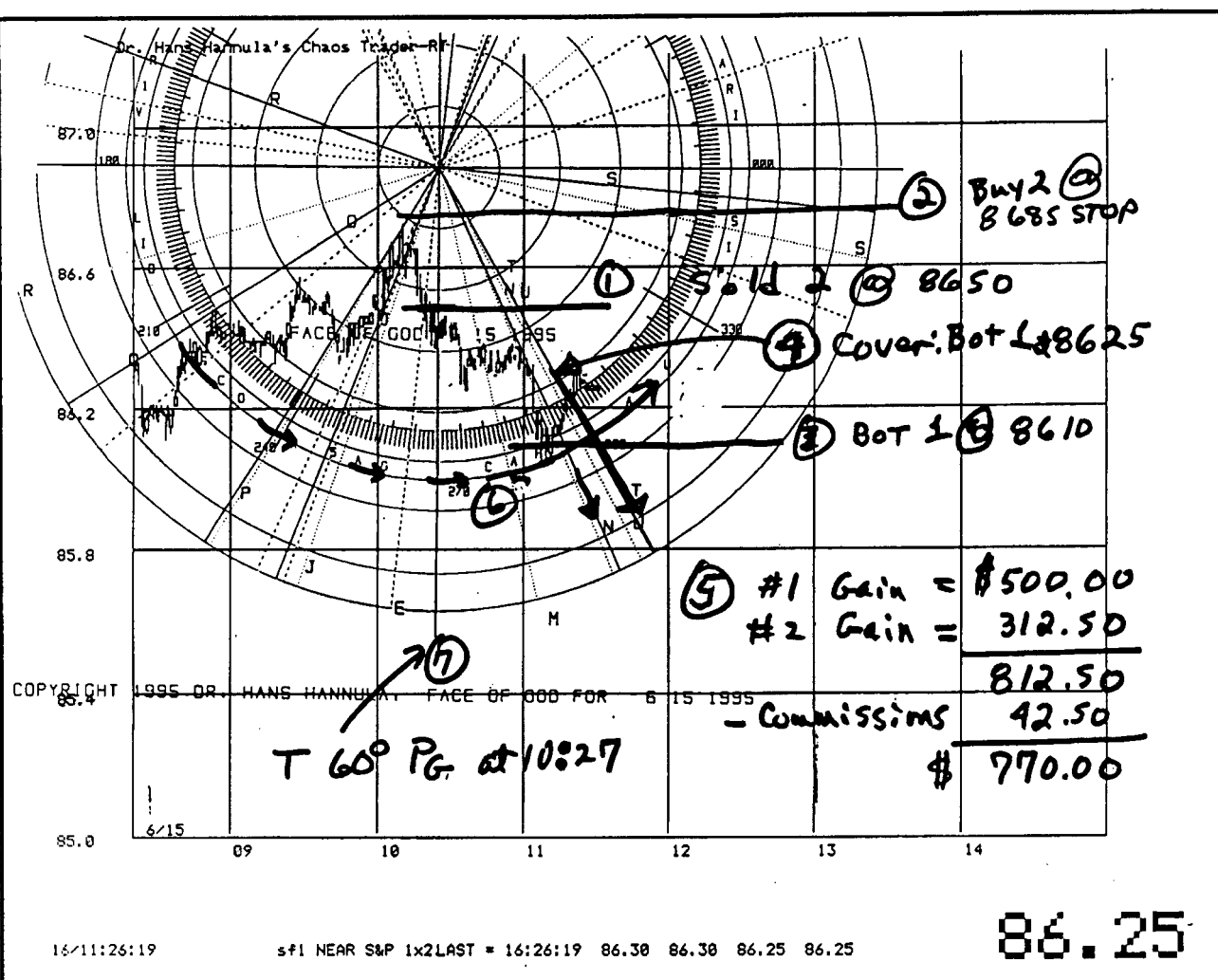


FIGURE 5-3.

Wow! I barely moved fast enough to get my orders placed. Within 5 minutes of placing them the sell order was hit. Look at chart 5-3. At Point #1 we sold two contracts at 8650. As soon as that was elected I quickly called in a protective stop order shown at point #2 to buy two contracts at 8685 stop. My trading rules give me 60 seconds to place this protective stop order after my entry stop is hit.

Now look at point #3. After the initial selloff, prices sagged and moved along the arc until nearly 11:00 o'clock where they were hit by the down-coming Neptune line which thrust them down. That thrust is far enough to cause execution of the booster buy order. So we bought one contract at 8610. Don't stop to count the money. Focus on doing the right thing.

You now notice that after hitting the 86 level, a rally started and we have crossed the down-coming Moon and Uranus line. After that energy beam, prices are probably going to go sideways or up, so it is time to cover the other contract. We did that. It is shown by Point #4. We bought one at 8625.

Point #5 shows how we did. Gain number one was \$500. The second contract picked up \$312.50, for a total of \$812.50, minus commissions of \$42.50, for a net gain of \$770.

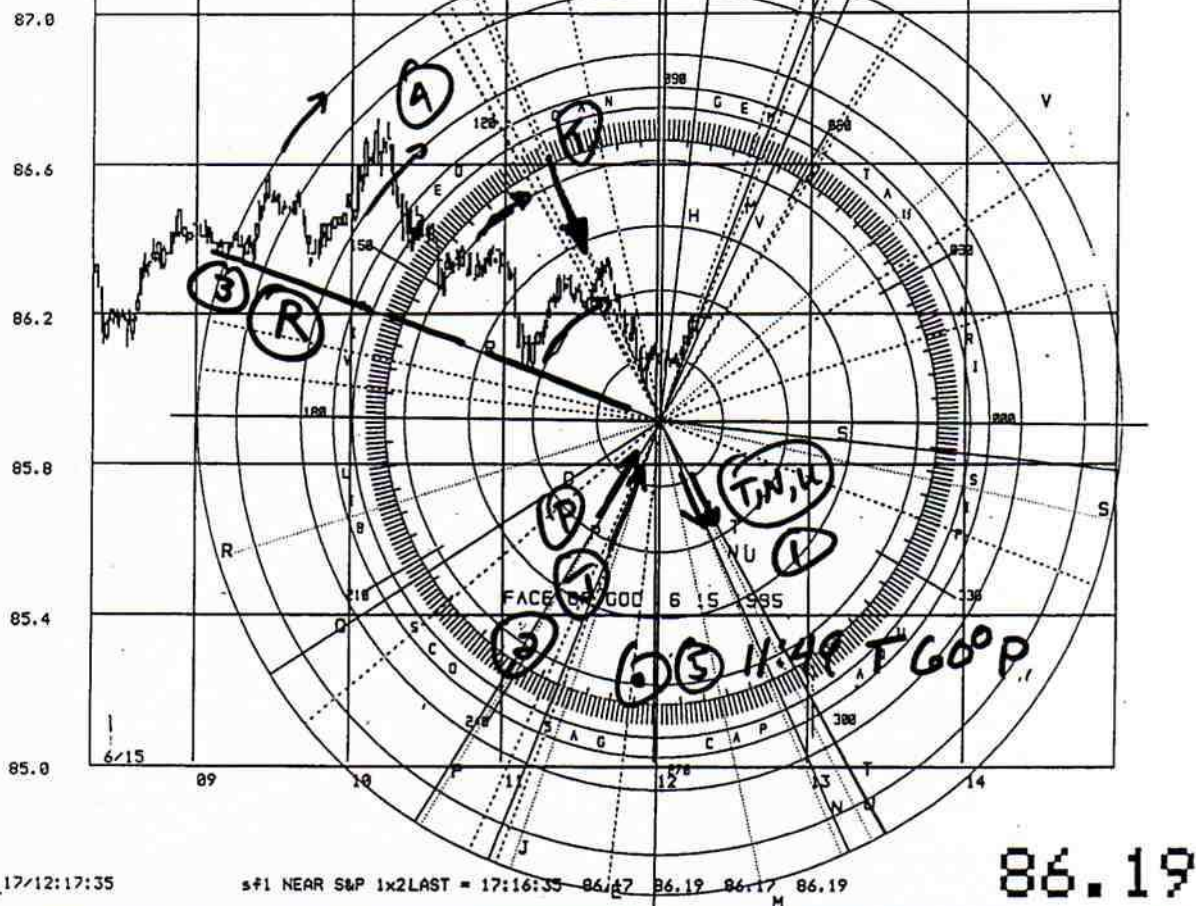


FIGURE 5-4.

In retrospect we had anticipated arc support off the open. It turned out that we got arc support off the early congestion area as shown by the arc at #6. Notice that this arc support shows a rotation of prices upward. Another reason to cover the shorts.

Just in case you don't believe there is any validity to this astro stuff, look at Point #7. At 10:27 we got Moon 60 degrees to Pluto. Notice the fast rally was up the Pluto line, then we got the 60 degree event happening, and prices were forced down the Moon line. Once prices have crossed the Moon line to the right, the action is over.

Not a big move. Nothing you are going to read about in the newspapers, but a quick \$770, thanks to the Face of God. Wow! That one went like clockwork. Hope the rest of the day goes as well.

It is now 12:17 Eastern time. I have just let the Swiss Franc market do it's own thing for awhile. I find that is a good approach after making a quick profit. Just before 12:00, which is local noon, we had a fast selloff. Look at Figure 5-4 above. That fast selloff came down the Moon-Neptune-Uranus lines to the center of what could be another FOG pattern. Then we have a rally starting up the Jupiter and Pluto lines as shown in line #2. Line #3 shows Mars geocentrically fitting along the lows. At point #4, notice that we have several arcs

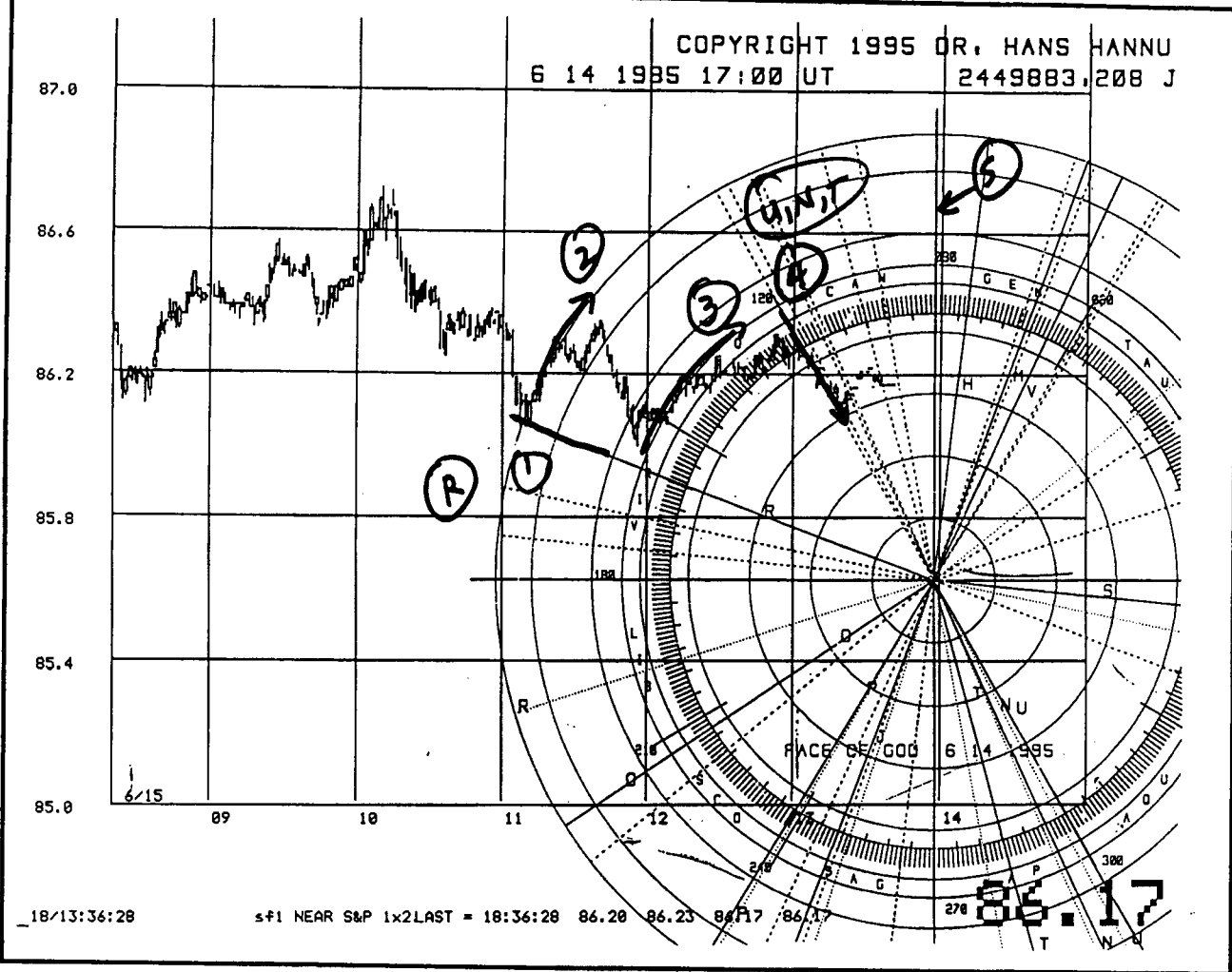


FIGURE 5-6.

I am a great experimentalist. That is why I like to do research. So let's look around. Let's try some other placements for a FOG pattern. Figure 5-6 shows a possibility. I have aligned Mars at Point #1 with the low just after 11:00 o'clock and used the arcs #2 and #3 to line up with arcs on the pattern. It seems to fit with a down-thrust at point #4, all indicating a possible selloff or vertical move near point #5. That would be near 2:00 PM Eastern. 2:00 PM Eastern on the chart is shown as 14 which is 1400 hours. I use 24 hour time on my charts.

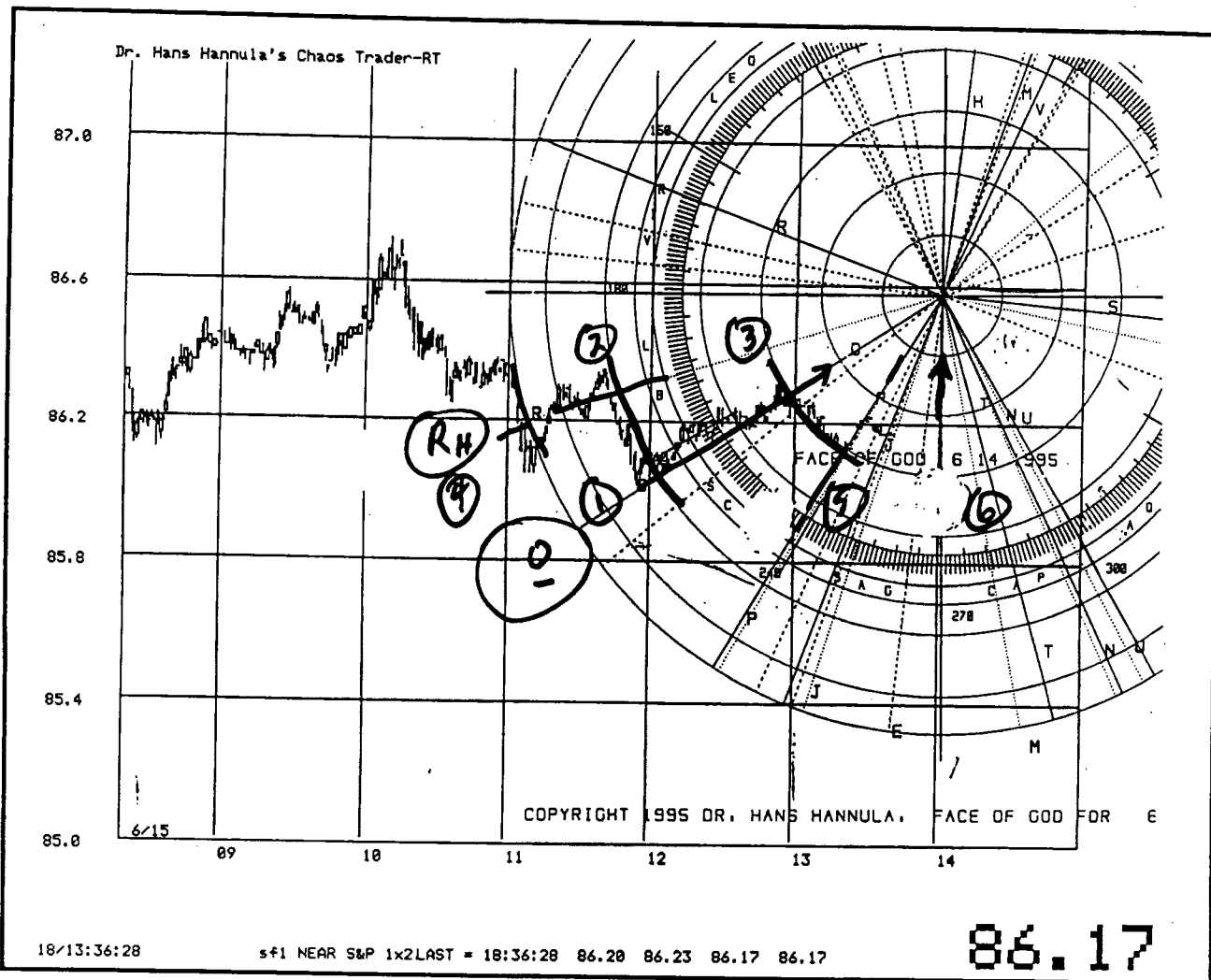


FIGURE 5-7.

Another possibility is shown in Figure 5-7. Here I have located a potential FOG center above prices by using the Node line going up as shown at Point #1, the arcs at #2 and #3, and the arc and the Mars helio line at point #4, and the small rally up line #5. Interestingly, that placement also shows a potential vertical move near 2:00 o'clock, indicated by Point #6. With the Moon, Neptune and Uranus possibly sending us down afterwards, there is a possible trade there.

At this point the market still keeps going sideways, so, perhaps neither one of these possibilities is really what is happening.

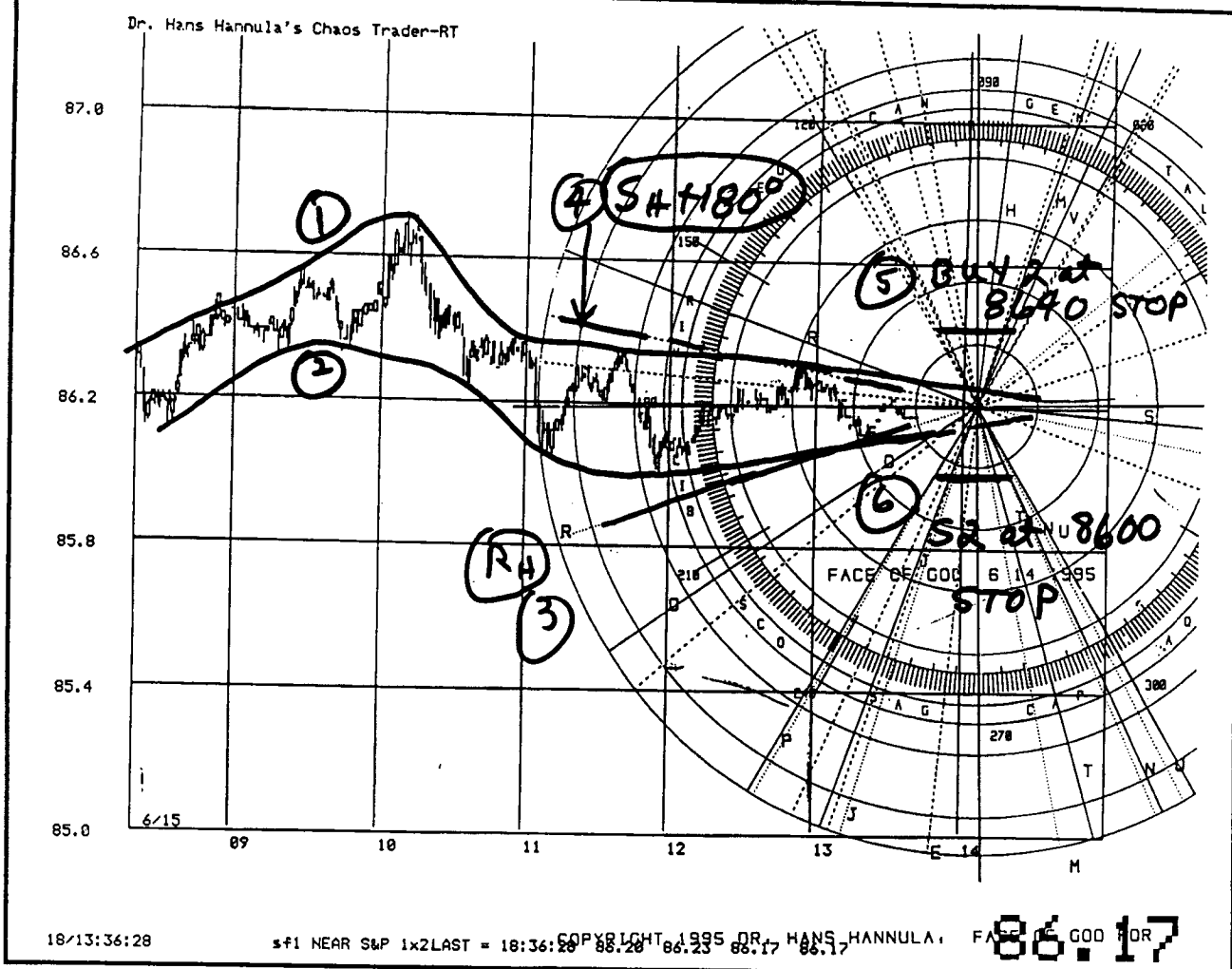


FIGURE 5-8.

Let me show you another technique. Look at Figure 5-8. Look at line #1 and #2. I call this "sketching a clothesline". I just sketch in a line that connects the highs or lows of the very short swings that occur during each hour of trading. Notice how that helps you focus on the boundaries that are containing price.

Line #1 and #2 are showing that prices are basically moving sideways. That means that they are moving sideways into a FOG center that is somewhere to the right. This is the hardest kind of FOG pattern to use because the horizontal move can persist for a long time, as higher and lower FOG patterns balance each other.

Balance is the essence of chaotic markets. Markets spend most of their time balanced. Then a chaotic event will throw them off balance and they will move quickly. But they are moving to another balance point. In Figure 5-8 I have done the best I can to align the FOG pattern with the most recent price actions. I have aligned the most recent high and low using Mars helio at Point #3 to line up with the low, and Saturn helio + 180 degrees at point #4 to line up with the high. We are converging in a horizontal triangle.

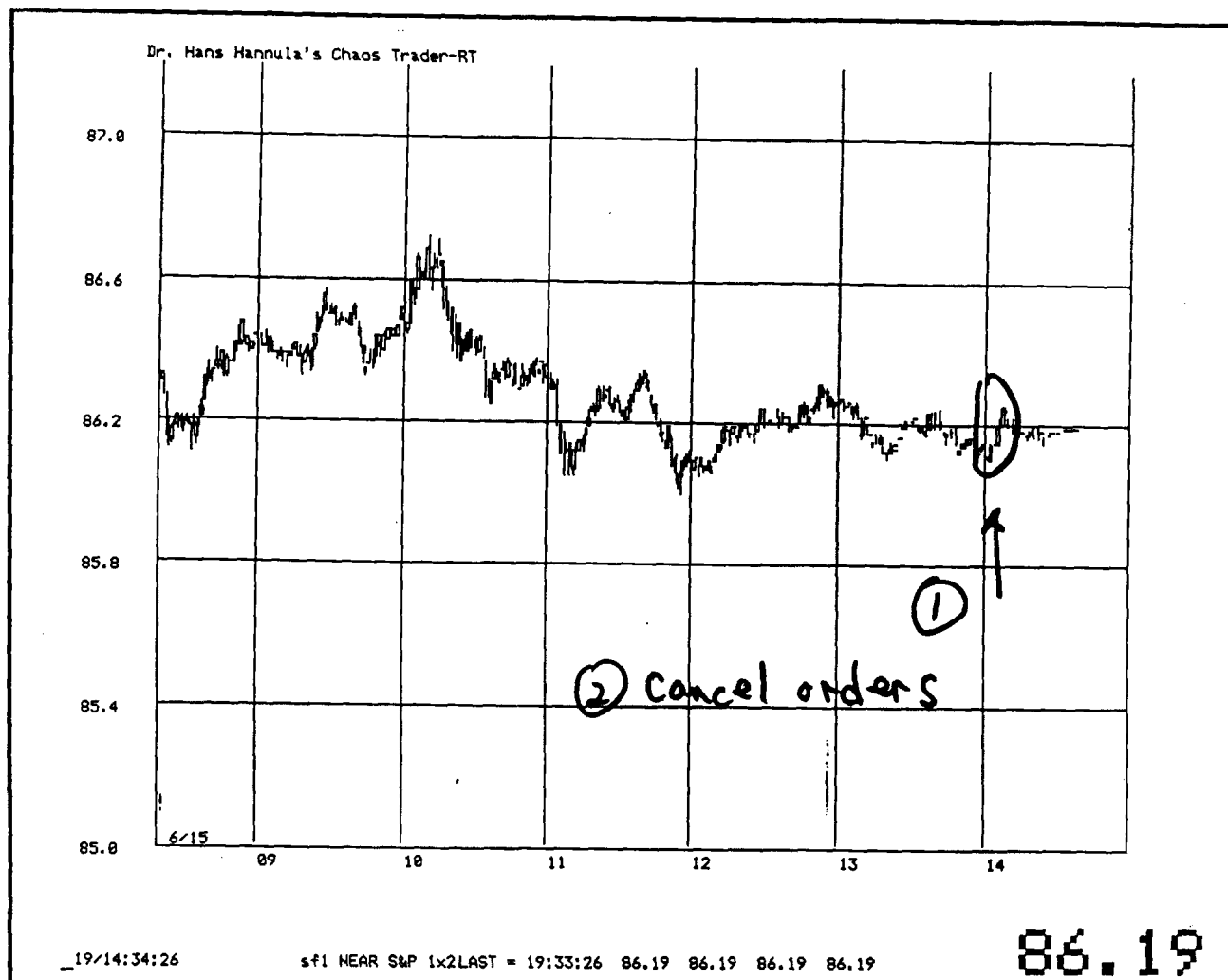


FIGURE 5-9.

Looking at the inner circle of the FOG pattern, I see the potential for making another trade, although it is getting pretty close to closing time, about an hour and a half away. Let's enter a buy order for 2 contracts at 8640 stop and a sell order for 2 contracts at 8600 stop.

I call this particular style of trade a bifurcation trade. Bifurcation is a fancy word that comes from chaos theory which means picking one of two ways to go. When a chaotic non-linear system is balanced, it is scientifically impossible to predict which way the balance will be tipped. Fortunately, we don't have to know or care. One of our orders will get hit, and the other becomes a protective stop.

In this case, if we do go vertical near 2:00, there is a chance we will go very quickly and very sharply. If that happens I want to be in quickly and take profits quickly. So we will let those orders sit there and see what happens.

Well, Figure 5-9 shows what happened. We did get a little blip in prices near 2:00 o'clock but not enough to trigger our buy or sell orders. It is less than a half hour before the close so it is time to cancel our orders. We are done in the Swiss Franc for the day.

In review then, early in the day I had a rising market coming up into the center of a FOG pattern which was fairly easy to identify. I placed orders to enter me short if it turned down at that center. They were filled and I followed through to take profits. Then I went searching for a second trade. Several FOG patterns fit as possibilities. I placed orders based upon those possibilities but the market did not move to enter me into another trade.

Notice that I am not assuming that I have correctly analyzed the markets. Even with a great tool like the FOG pattern there are often multiple possibilities of what the market can do. Chaotic systems always have more than one solution for their next move. The one selected can be chosen by the smallest input change. So when one trades in freely traded markets, the approach I find that works the best is to use your analysis to outline the possibilities, place your orders such that if the market chooses one of those possibilities that you are going with it. Then once you are in the trade, work hard to take some money out of the trade.

In reality, I have also been doing the S&P in parallel with doing the Swiss Franc. I find that using FOG, I can relatively easily keep up with two markets during the day. I do not feel myself skillful enough to daytrade more than 2 markets at a time using FOG. My goal is to eventually computerize all of this. Maybe computers can trade more than 2 markets at a time.

I was slow in getting started and the Swiss Franc gave me an early trade. It's now 12:34 Eastern. I am just now watching the S&P closely.

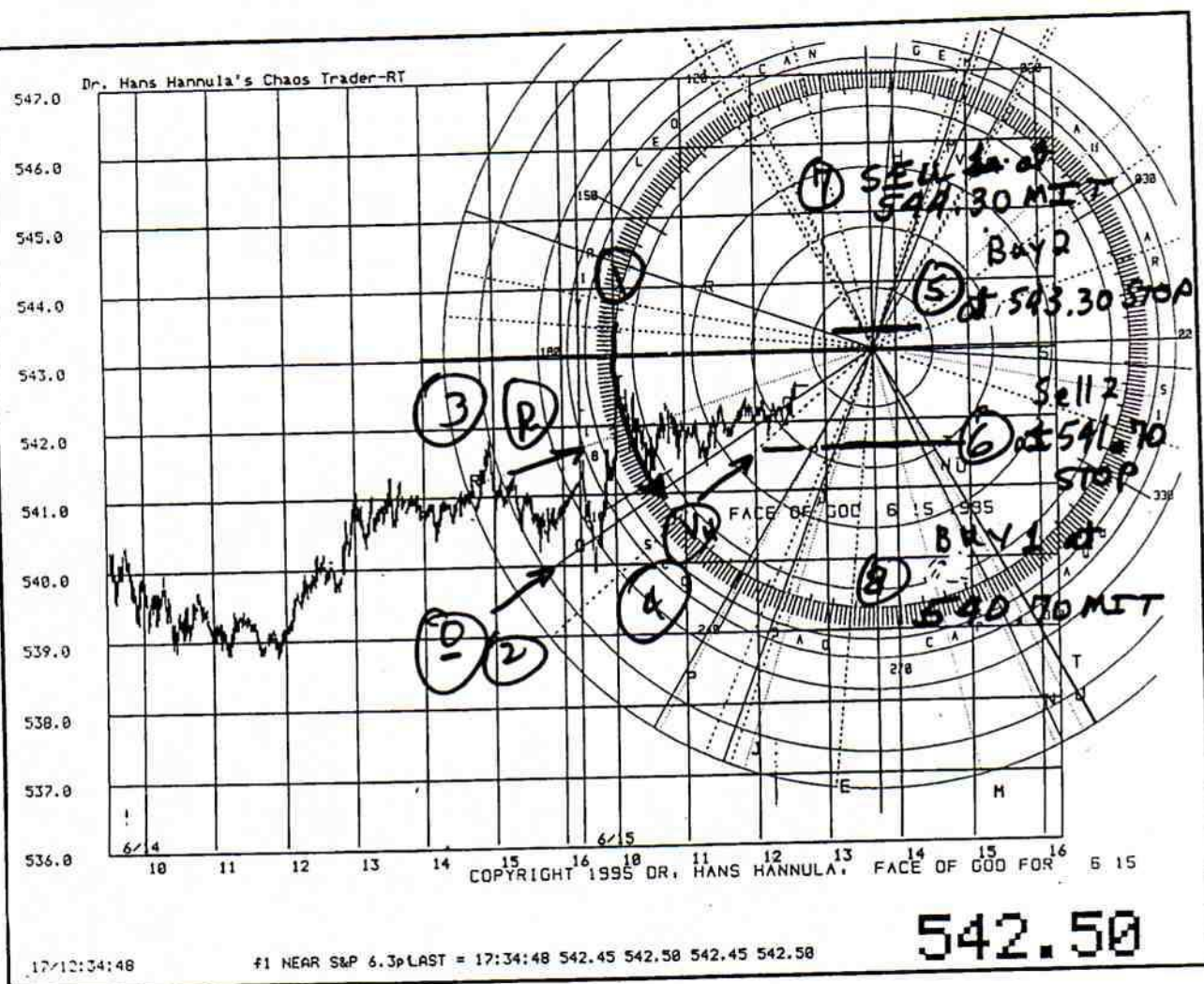


FIGURE 5-11.

Further evidence of the validity of the FOG pattern is that when we came to 12:00 o'clock, we had congestion down the Mars geocentric + 180 degree line. Prices are riding up the arc now, toward the Saturn geocentric line as indicated by Point #5.

So after early excitement and some dullness, it looks like we may be picking up a little bit of activity now.

One must keep in mind that the market is always reacting to at least 2 Face of God patterns at once. Sometimes we see more. So do not relax if you just find what has happened so far. You need to look ahead so you can anticipate the market.

Refer to Figure 5-11. Here is a possible FOG pattern based upon using the early selloff as an arc, indicated by Point #1. Point #2 indicates possible support coming up along the Node line. Point #3 indicates the Mars line as setting the highs of the rally. Point #4 shows Venus heliocentrically setting the last low.

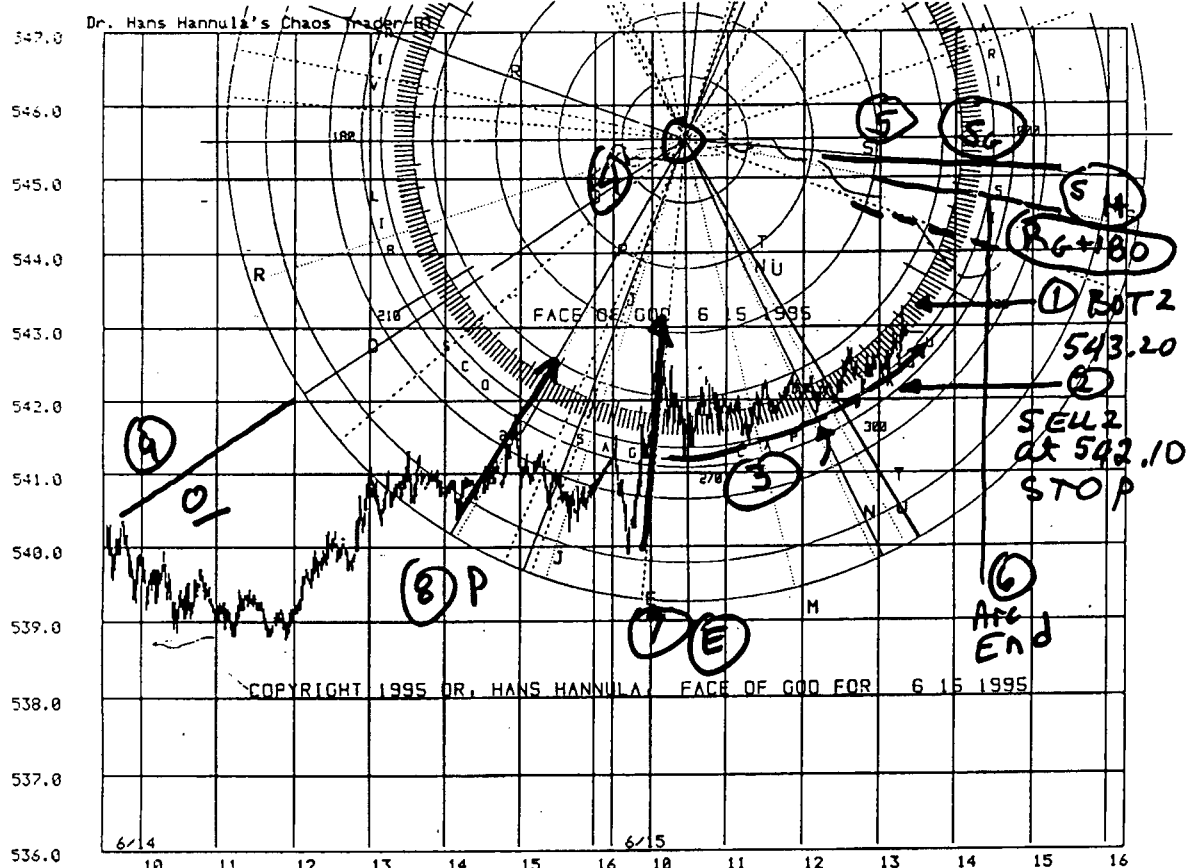
As a point of general interest, I have found that sharp moves such as that early rally just before 10:00 o'clock frequently are from a radial, up to an arc, and then prices will settle

down and continue up other radials later. They strive to reach the center of the Face of God pattern.

Remember, the center of a FOG pattern is a strange attractor until you get there, and then it becomes a strange repeller. However, some centers are too hot to touch. They are like stoves. You cannot be guaranteed that you have found the correct center or that you will actually reach it.

However, this placement of the FOG on Figure 5-11 indicates the possibility of a vertical move. It's time to place some entry orders. Point #5 says to buy 2 contracts at \$543.30 stop. Point #6 says sell two contracts at \$541.70 stop. Point #7 says to sell one contract at \$544.30, market if touched. That's our quick grab of one point if we are elected long. Point #8 says to buy one contract at \$540.70, market if touched.

Even though we only have a tentative placement of a FOG pattern, we have a good part of the day left and we have a fairly good alignment with yesterday's pattern and this morning's early pattern. Now we have to wait and see what the market actually does. The time now is 12:24 Eastern



542.90

_18:13:23:29

#1 NEAR S&P 6.3p LAST = 18:23:29 542.90 542.90 542.80 542.90

FIGURE 5-13.

Now look at Figure 5-13. It's the same as 5-12. I've located a potential placement of a Face of God pattern to match up with this arc. It seems to be fitting fairly well. I've shown the arc as line #3 and placed the center, as shown by Point #4. The center is directly above the low at about 10:30. The fast rally along the Earth line going up points toward the center, as shown at point #7.

From that center I have looked to the right, to the future in time, and noticed several points of resistance, shown near Point #5 on the chart. Note the Saturn geocentric line. Below that is a Saturn helio line and below that a Mars geocentric + 180 line. Also notice, at Point #6, the arc prices are following curves and goes straight vertical right near 2:30. You cannot go backwards in time on an arc. So after 2:30 we might expect prices to break off the arc and be pushed out by one of the radials. Often "falling of the arc" is dramatic.

Looking back to yesterday we find that the Pluto line matches up with Point #8 and the Node line goes back to yesterday's opening price at Point #9. So we may have a situation I call "arching up." Prices shot up toward the center of the FOG pattern early in the morning. They then started crawling apparently sideways, but were actually going up an arc.

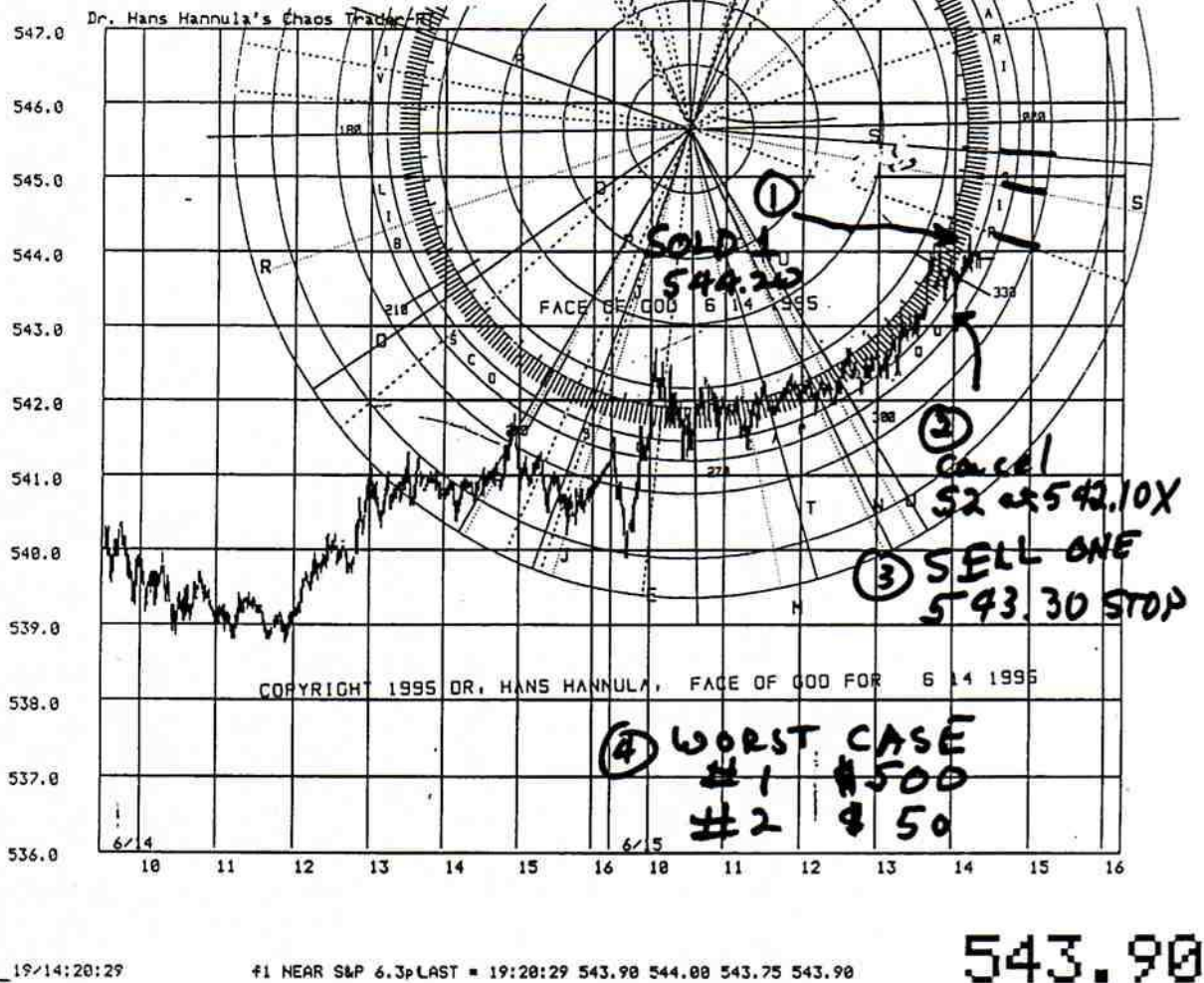
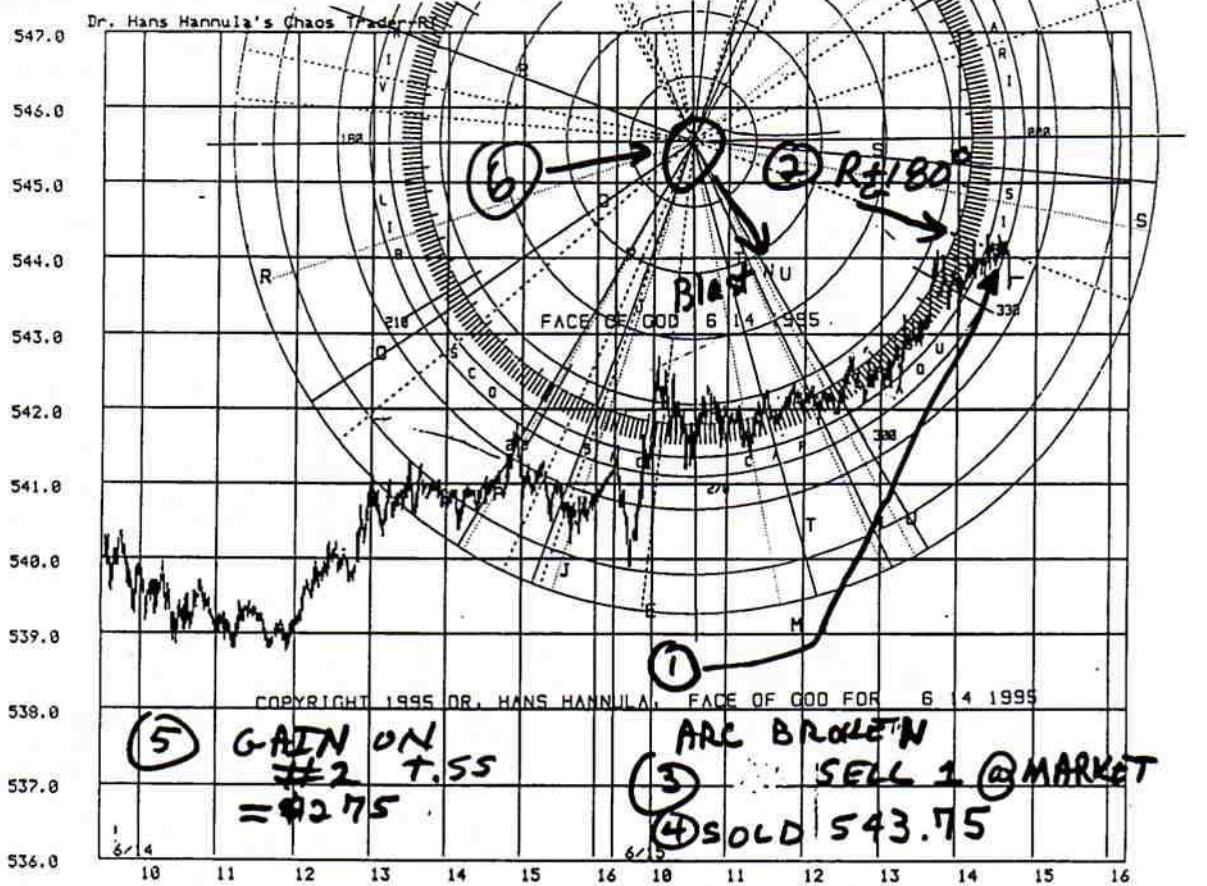


FIGURE 5-14.

It's now 2:20 and we have bounced up just high enough for our booster trade to cash in. We sold one contract at \$544.20. The high right now is \$544.25. See Figure 5-14.

Note Point #2. We need to cancel our sell stop selling two at \$542.10 stop and replace that with an order to sell 1 contract at \$543.30 stop. Notice I moved that stop up two ticks above our entry so that I will at least pay commissions. That is just slightly below the most recent low as shown.

Point #4 shows that in the worse case we picked up \$500 on our booster contract. On the "carry along" contract, we are in a bit better than a break even position, after commissions. We will make money on the pair.



543.75

FIGURE 5-15.

It is now 2:39. Remember when I said we couldn't go vertical over the top of the arc? Look what's happened. We have broken off that arc, sharply. That's shown at #1 in Figure 5-15. Point #2 shows that the break came as we hit the Mars + 180 degree line coming down. This is one of the resistance levels that we anticipated.

This is not a comfortable time to be holding a profitable position. Point #3 shows the action taken of selling one contract at the market. We sold at \$543.75. Point #5 shows that we made a gain on our second contract of .55 or \$275.

Now look at the larger pattern. Look at the center at Point #6. Here we have a clear example of a blast pattern. Imagine that a blast occurred at #6. You can see the pressure wave blowing out from it, going down to the lower right. Things could get exciting. Now we need to move quickly.

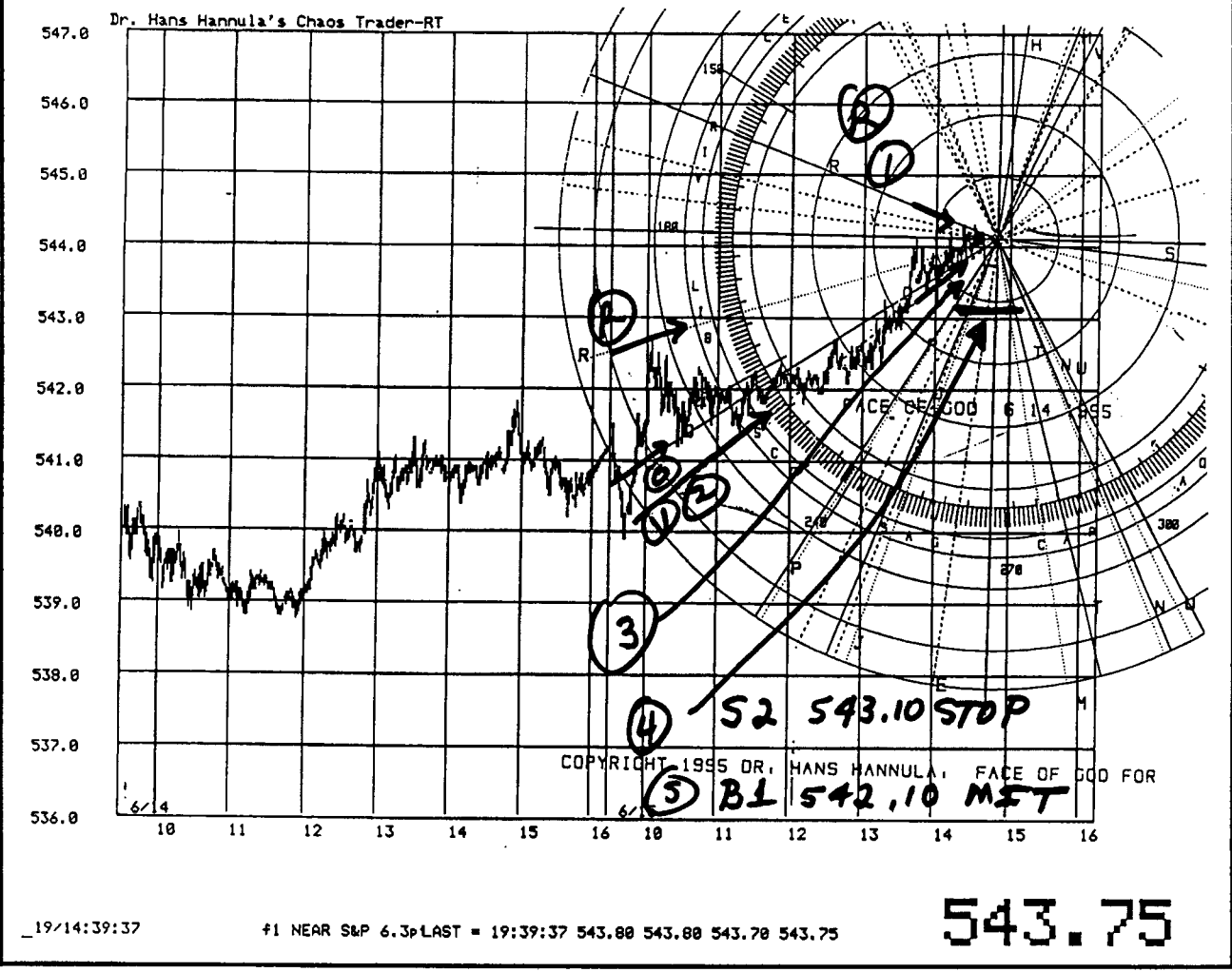


FIGURE 5-17.

Figure 5-17 shows a slight adjustment of that FOG pattern, moving it a little bit to the left. Here I can now see that the Mars geocentric line is coming down along the highs of the last few minutes. Looking at that inner circle, I see that I can quickly move to place an order to sell 2 contracts \$543.10 stop, and make my quick cash order of buying one contract at \$542.10, market if touched.

Hurry, grab the phone. Talk fast, but clear. It's 14:39 and the orders are in place. Now we'll see what happens.

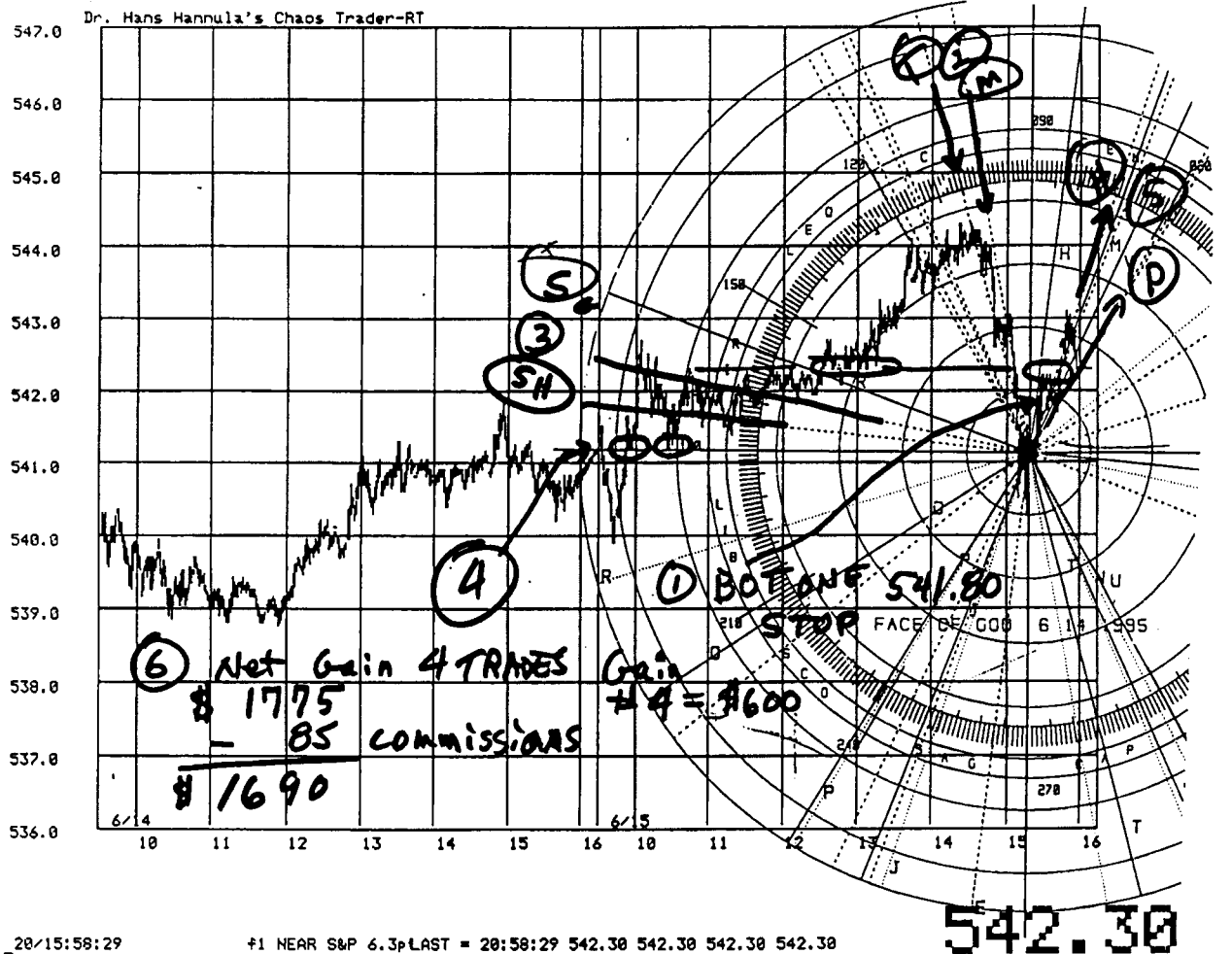


FIGURE 5-19.

Illusions, delusions! The truth is in the market. The truth is in the Face of God. The truth is shown in Figure 5-19. That late congestion we were savoring turned out to be the center of a late FOG pattern.

As prices came out of the center of that FOG pattern, at Point #1, we bought one contract at \$541.80 on our stop. That was fine.

Point #2 shows that the hard selloff came down along the Moon and Mercury lines and the rally came up along the Sun-Pluto lines shown at Point #5. Point #3 shows how this late FOG pattern lined up with Saturn along the early congestion. The center is horizontal, as shown by point #4, with a few early lows.

Wow! We didn't get the big selloff, but look what happened in four trades today. Look at Point #6. With our four trades we netted \$1775 minus our \$85 of commissions, or \$1690. Add in the \$770 in the Swissy. Not a bad day. Can you believe it? You should. This chapter was written in real time just as the market unfolded.

I think this chapter gives you a representative flavor of how to use the Face of God pattern. There is a trial and error process to it. There is a certain amount luck and a certain amount

of skill which comes with practice. I will admit that today I was mentally sharp. My mind was clear and focused. I had no distractions. It was just me, you, the markets, and the Face of God.

That inner focus is absolutely essential. When you are enjoying the inner peace you will be able to exploit the Face of God pattern.

At this point in the day I always say a thank you prayer. I think of the lines in the Lord's Prayer that says "... give us this day our daily bread." Just as the Good Lord takes care of the swallows and the sparrows and the bluejays, he does take care of commodity traders.

Let me recap. In two markets I found three trades. During the day I traded two contracts on each of the three trades. I managed to have three successful trades in a row. I have gone as many as twelve successful trades in a row. I have also had losses. You cannot expect every day to be like today. Not all of my days are good.

I showed you the process of trying to determine what the market is doing by overlaying the Face of God pattern on prices. That overlay gives you a possible scenario for market behavior. I then showed you how to place stop orders such that if the market moves the way the possibilities are layed out, that you will catch some quick moves. I also showed you a trading technique where you pick up a little bit of money quickly and then try to carry one trade along to make more money.

Of the three trades, only on the last one in the S&P, did that second contract get carried along to make a bigger gain than the first contract. So the booster contract is the bread and butter contract. The carry along contract is the long shot that only works occasionally.

Also notice how late in the day with the fast move occurring, I began dreaming of a huge crash. I could see that carry along contract making me rich quick. I stopped focusing on what I was to do next. This was a mental error. Maybe it's just me who does that.

The first day I ever day traded was October 19, 1987, the day of the Crash of '87. Somehow, I don't think I'm the only one who dreams of great wealth suddenly coming on one trade. Such fantasies cause trading errors. Learn to overcome them.

What I have learned is that the constant, persistent application of the methodology I have just shown you gives a series of small, steady gains. When there are losses, they are limited losses. That's the key to successful trading.

So that's one day of real time day trading. What I put into this chapter is very close to what you would have received had you been in my office today. This was on the fly, real time analysis using real live data and the Face of God pattern. I highly recommend that before you take any risks with the Face of God pattern, that you practice this on paper, over and over and over. Test your methodology forward in time. Be brutally honest with yourself.

Also, be aware that day trading is tiring. You cannot do it every day. I personally find it beneficial to take trading vacations. As you can understand from what I just showed you,

trading can be very exhausting. You need a lot of energy. You need to be in top physical and mental form to analyze, place orders and execute swiftly and surely.

When I take trading vacations, though, I keep in practice by paper trading with the Face of God pattern. I imagine each trade as if it were real; real money, real time. My subconscious does not know the difference between the practice and the real thing. It is just practice, practice, practice. So I interrupt what I am doing at the key points in the day to write down the analysis and the orders and see what would happen.

I highly suggest that you do this to find out what parameters to use for the markets you like to trade. How far do you let price go before you grab your first quick profit? How close do you put those stops? Develop a rigorous methodology. Write down your trading rules.

After you write down those rules practice them over and over on paper. Practice your analysis. With practice you should be able to swiftly lay a Face of God pattern on a chart and within a matter of seconds find different ways that it can fit. When you see prices moving toward a point where a vertical move is a possibility, you should be able to quickly identify where to place your stop orders for entry and protection, and where to accept profits.

With persistence and diligence you can receive your daily bread. But you have to accept it, and put in the effort to go pick it up.

6. Developing a FOG Trading System

FOG by itself *will not* make you any money. FOG *will* give you a trading edge. But for you to exploit that edge you must systematically develop a trading system. After the development of this system you must systematically, flawlessly, and without any emotion execute your trading system.

The biggest myth in trading is that one more piece of knowledge, one more analysis tool, one more variable accounted for, will bring trading success. This is not true, has never been true, and never will be true.

What is true is that it is possible to use almost any technical analysis tool to gain a trading edge. From that edge, it is possible to develop a winning trading system. It is possible to execute that trading system perfectly.

It is possible to become a consistently successful trader if you, 1. have an edge, 2. develop a system and, 3. have the mental discipline to execute that system reliably. FOG only gives you the edge. The rest is up to you.

This chapter will discuss the steps you need to take to turn FOG into a successful market tool.

Some of this material comes from Mark Douglas, the author of the book, *The Disciplined Trader, Developing Winning Attitudes*. If you have not read his book it should be the first thing you do after finishing this one. If you have a chance to attend one of his workshops, do so. Mark is clearly on the leading edge of trading psychology.

The first thing you must be clear on is what your goal is. Your goal must be to create a belief that you are a consistently successful trader. In order to do that you must create an experience that will make you feel that you are a consistently successful trader. You create this experience by trading a mechanical system for a **set** of trades. Only in this way will you be able to overcome all of the mental limitations associated with trading.

To create this experience you must first create a set of trading rules. Then you must understand what it means to accept the risks associated with each trade. Finally, you must execute a series of trades exactly, according to the rules. You must do that without changing the rules, without changing your mind, without giving up on the system, and without hesitation.

Let's talk about risk and probabilities. There is a huge difference between the statistics of any particular trading system and the probability of one particular trade being a success or a failure. If you have a system that gives you 80% winners and 20% losers, that does not mean that the trade that you just put on is going to give you 80% of your money and only take 20%. Any one particular trade is unpredictable in its outcome. The only thing that can possibly be predicted is the **average** outcome after **many** trades.

If you check in any statistic books, the number of samples one must have to use statistics is typically given as a minimum of 30. Mark Douglas suggests an exercise of making 20 trades. I consider that an absolute minimum.

When you enter a trade there is a risk that the trade may not work out. If you do not have a stop order placed on the trade, you are telling yourself is that you are accepting an unlimited risk on that trade. In other words, you are willing to pay any amount of money to determine whether or not the outcome will be successful. Stop and think about that.

Stop! Stop! Stop! Think! Think! Think! Are you **really** willing to pay **any** amount of money to learn if this trade will be successful? Are you?

Of course not. So how much **are** you willing to pay? Here is one way you can decide how much you're willing to pay in risk money to learn if one trade will be successful. Before you make the trade, sit down and write a check for the amount you are willing to risk. For example, in the S&P 500, if you are willing to risk 1 full point, that's \$500. Sit down and write the check for \$500. If you can't do that, forget making the trade. You are not mentally ready. You do not have the right mental framework.

I like to think of trading as a month long campaign to win the lottery. Each time you buy a ticket, you pay risk money up front. There is some statistical possibility of winning that depends on how many people play. If all the players all use the same "Quick Pick" computer service to pick their numbers, each ticket has the same chance of winning. In our state lottery, as in many, the quick pick service randomly picks unused numbers. So everyone has the same random odds of winning.

A technical analysis tool could give me a better than average edge in picking the winning numbers. FOG gives a better than average edge in picking the numbers that will result in winning market trades. I can spend an immense amount of time using my technical analysis tools to improve that edge. But no matter how much I work, how sophisticated or how superior my tools are, I can only achieve a certain edge.

For example, in FOG you have seen that prices vibrate along the FOG pattern. There is still a noise factor associated with the FOG pattern. You have also seen that there may be multiple FOG patterns. Therefore, you may not be analyzing the market with the FOG pattern that is most powerful. So no matter how good FOG is, or how good your use of it is, there is still a statistical probability of a loss on any given trade.

The mental slip that many traders make is to assume that a probability of winning, say of 80%, is a **guarantee** of winning. Nothing could be further from the truth. That is like believing that an auto accident cannot happen to you, or that you cannot possibly get a particular disease because statistically you are in the low risk category. When you **are** the statistic, the percentages do not matter.

Now back to the month long campaign of winning the lottery.

My priest once told the story of a businessman named Bill who had given much money to the church. One year he suddenly found that his business was floundering. He tried every

remedy that he could think of to fix his business. Nothing seemed to be working. In desperation he went to church and prayed,

"God, help me. I have given much money to the church. Now I need a favor. My business needs more money coming in or I will be soon out of business. Lord, you are my business partner. Some of my money has gone for your good works. So please, please send me some help. Please help me win the lottery."

Six months passed. The businessman was still struggling. His business was still struggling. Frustrated, he returned to church, he kneeled, folded his hands and cried out,

"God, have you forsaken me? Have you not heard my cries? I asked you to help me win the lottery."

Suddenly, out of the darkness came a booming voice, shaking the building, overwhelming the man. Like a roll of thunder, it said,

"Bill, you have to buy a lottery ticket."

You, too, must buy a lottery ticket for each and every trade. That lottery ticket has a price. The price is the risk that you must pay to play the game for that roll of the wheel. Not only must you buy a lottery ticket, you must buy 20 lottery tickets. You have to pay for the risk of finding out if you won. It is the tuition for learning the outcome.

Making a series of trades is the same. Before you make a single trade you must be willing to sit down and write out a check for the total risk that you will pay to take the 20 trades. If you cannot do that and accept that amount of money as a cost of doing business, you should not enter into even the first trade.

Let me be more specific. The circle in the center of the FOG pattern represents an area where prices may vibrate wildly. Often you will have to accept the vertical height of this circle as the risk you must take in a trade. Suppose in a particular market that the vertical risk is \$500. Suppose further that you are going to use the money management technique that I used in the last chapter. That technique used two contracts at entry, peeling off one as soon as the market made a certain amount of money available and holding the other one for a larger move. So the risk now, per trade, would be two contracts times \$500 or \$1000. For you now to enter into a 20 trade campaign you must be willing to sit down and write a check for \$20,000. That represents the absolute worse case outcome. If you can psychologically accept that absolute worse case, then you are ready to trade.

This may seem rather harsh, but it is simply an up-front cost. You are simply budgeting money for the consumables of your market experiment. One way to think of this is that it is a scientific experiment. To do this experiment you need to spend money on certain laboratory equipment and supplies. That is what businessmen call your up-front cost, or your getting started cost. In your trading campaign, the cost of the risk is your up-front cost. If you are unwilling to make the investment in that up-front cost and accept that the possibility of the investment going down the drain, then you should not trade in commodities, stocks, or anything else.

If you can accept the risk, you need to develop a trading plan. You can use FOG and past data to do this. You must use FOG to study the behavior of a market that you wish to trade. You need to use FOG on historical charts to determine the "setups" which give you the highest probability of making a winning trade. You must also measure the risk involved with each setup pattern.

For example, one pattern is a rising wedge where prices get very close to the center. One such pattern is shown in Figure 6-1.

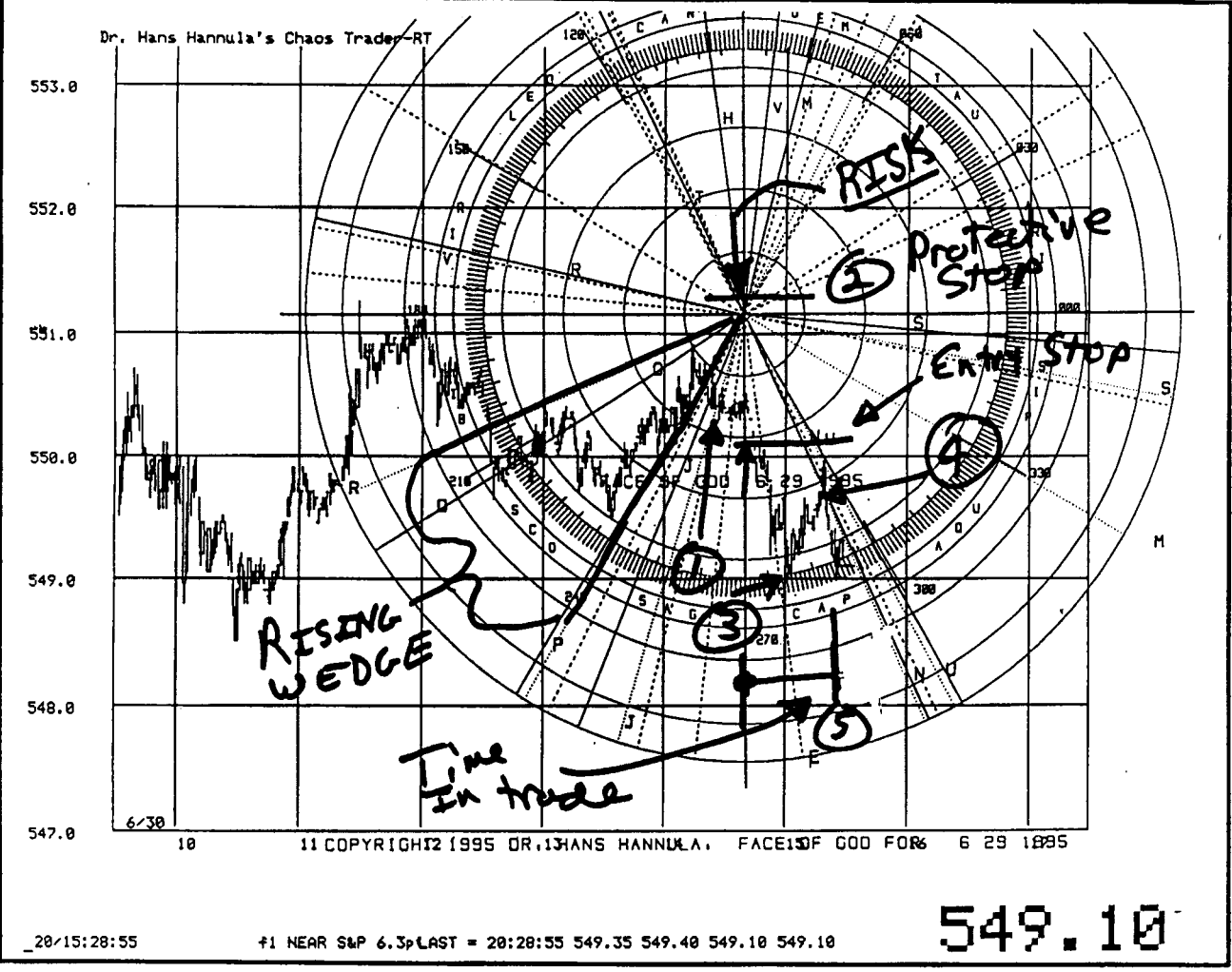


FIGURE 6-1.

If you examine 30 or more of those patterns in your market of interest, you will find that many of them break before they reach the center. You want to know what percentage do this. You also want to know the important variables associated with trading the pattern. One variable is the risk. The vertical distance from where you could place a sell entry stop to the FOG center represents the risk you must accept to enter one of these trades. You should inflate this risk by adding 3 or 4 ticks.

You should then study how far the market drops from the entry point. In your samples, there will be a minimum drop, an average drop, and a maximum drop. This drop is the gain. The opportunity for gain ends when prices move sideways into one of the other lines coming down. You want to know when this happens. Refer to Figure 6-1.

Here we have prices moving into the center of a FOG pattern and breaking just before they reach the center as shown at Point #1. The line above the center represents the price level at which you would want to abort the trade because prices have moved above the center of the FOG. That makes it very probable that they are going higher. This is your protective stop. Refer to #2.

Back to the chart. Point #3 shows the size of the near vertical drop. This one came down along the Earth line. Point #4 indicates where prices moved sideways into the second steepest down-coming line. This is currently (in 1995) Uranus-Neptune, and makes a good "cover line" for short sales. One could also use a line parallel to and slightly above this FOG line as a "cover line." Point #4 indicates the level at which a close trailing stop would allow you to capture profits. Point #5 on the chart indicates the time duration from entry until prices reached #4.

From this one pattern you can measure several numbers. First is the risk. Second is the size of the vertical drop. Third is the amount that can be captured with a trailing stop. Fourth is the time in the trade. For the example, Risk = 1.1 full points, or \$600. The drop was 1.1 points, or \$600. A trailing stop of .8 full points, or \$400 would have captured .4 full points, or \$200. The time in the trade was 50 minutes.

If you now collect these numbers for a minimum of 30 occurrences of this pattern, you can compute the statistics for each parameter. This gives you a database for the pattern. Once you have this set of 30 samples of your pattern you can average the parameters. This will give you your average risk, your average gain and the average time in the trade.

From this you can develop your trading system parameters. Your average risk multiplied by 1.3 will give you a reasonable risk for accepting the trade. Your average gain multiplied by .5 will give you a gain that has a high probability of being captured. This should be the gain at which you peel off your first contract.

Your average gain is where you should peel off your second contract. Alternately, you can claim it with a trailing stop. If you do that, you need to measure the size of the maximum move against the trade, and average that number for 30 samples. Multiplying it by 1.3 will give you a good trailing stop distance above the low.

If you multiple the time in the trade by 1.5, it gives you a time stop at which you should get out of the trade if it has not made either of your gain targets. Markets spend a great deal of time going nowhere. One of the worse things you can do is get into a trade, looking for a vertical move, and get stuck in a flat market. At some point, you have to admit that you missed the vertical move. It's not going to happen. To free both your money and your mind from that trade, you need to exit it. That's the purpose of the time stop.

A psychological warning here. For many years I used the terminology "kill the trade". My belief system told me killing was wrong. Therefore, when it came time to act to "kill the trade," I was paralyzed. My belief system would not let me act.

The labels we place on our actions are extremely important. Markets allow us to define our own terminology. I have since replaced the word "kill" with the word "reschedule." I will simply reschedule this experiment and try it later. In talking to one very successful trader, I found that he "rescheduled" 40 per cent of his trades. If they doesn't make money in a timely fashion, he cuts his risk and looks for the next trade. That's the way my father fished. Find a good looking hole. Drop in the baited hook. No bites? Move on.

Once you have done your homework on the patterns in a particular market, and have worked out the parameters for the the system that you want to use in trading the market, you must execute a trading campaign. You need to execute the plan mechanically. The logic is,

"When I see this pattern, I place the entry stop X points from the FOG center. I place the protective stop Y points from the FOG center. I place my quick cash stop at Z, and my second cash in stop at XX. I abort the trade if YY minutes pass and it is not profitable. I expect this pattern to be profitable ZZ % of the time. But I accept the risk that this trade is one of the failures. I act to accept the risk by writing a check for the amount of risk."

With good numbers for the variables X, Y, Z, XX, YY, and ZZ, you need not hesitate to make a trade. In fact, when you see the trade setup, you **must** take the trade. You can't pick and choose in a mechanical system.

Your homework will tell you what the risk is in each trade. That is the cost of doing business that you must accept. Once you have computed the cost of doing 20 trades using your methodology, write out a check for that amount.

I suggest you write this out of an account that is a currently active expense account. Another psychological trap is to write it out of an account that has a lot of money in it, an account where the money has been set aside, such as an accumulated savings account. When you do this, the money tends to take on a different flavor. Because you have set the money aside for some future use, it has become less "real" to you than current money. If you think of the money that you are doing your experiment with as "funny money" or "someone else's money", you will not be accepting the reality of the risk. If that is the case, you should not trade.

Once you have set aside the investment check for your trading campaign you are ready to conduct the campaign. Your goal in the trading campaign should be to establish the experience of successfully following your trading plan. You must gain confidence in the trading plan and in your ability to execute it. You want to create the belief that you are a consistently successful trader. If you rigorously go through your 20 trades you probably will make money. That will reinforce your belief that you are a consistently successful trader.

The Face Of God knowledge should allow you to create trading plans that have some very favorable statistics in any market, at any time, on any time scale. The Face Of God pattern is what vibrates markets. It is the driving force. It is the physical force behind markets.

That knowledge alone is not sufficient for you to make money. You must follow the process just outlined. This is the most difficult part of applying the Face Of God pattern to trading.

This has been a brief overview of a very important topic. You should study it further. I again encourage you to buy, read, and study Mark Douglas' book. If possible take Mark's course. I make this recommendation because I have found Mark very helpful. I know he will be very helpful to you.

The Face Of God pattern will give you an edge. The key to capitalizing on that edge is understanding trading psychology. Once you master that, money will flow to you. You deserve it.

7. Role Of The Natal FOG

If the energy field of the universe is vibrating to the motion of the planets, and individual stocks or commodities are reacting to these vibrations, why is it that they react differently?

This is a profound question. How can everything in the universe have the same driving force and yet create such diversity? No two planets are alike. No two people are alike. No two markets are alike. Where does this individuality come from?

To answer this question one must think about what happens at the moment of creation. After much research, calculation, and study, I have come to the conclusion that the energy field itself has to perform in a certain harmonic fashion before anything is created. In other words, energies coming from various directions in the field have to add together at a particular point in time and space for creation to occur. When the addition of energies become powerful enough matter is created. If the addition of energies become powerful enough with the right combination of frequencies, life is created. If the energies add together sufficiently, in the right way, at the right time, a new market can be created.

Everything depends upon the proper combination of energies adding together in the proper way, at the proper time, at the proper point.

Astrologers have long held that it was very important to take note of the time, place and date of birth of an individual. Their claim was that knowing that birth data would enable them to predict the future. This is a very bold claim. Could it possibly have validity?

For years I have studied what I call personal cycles. I have found that there is validity to the concept of doing a natal chart. I have also found that much of what is commonly practiced in astrology does not work. There are things that do work. In this chapter I will explain to you how to use natal data to help determine how a particular market will respond individually to the Face of God pattern.

Think about the moment of creation. At that time energies were coming from different directions, adding together. Those energies built up to a sufficient force to cause a transformation of that energy into matter, or into a mental image. Thoughts and mental images are created by energy addition just as matter and life are created.

What is a market, then, if not a mental image shared by the market participants? You cannot physically go find the market. You can't put it in a container. You can't nail it in a box, shut it in a closet, or throw it in the trash can and slap the lid on it.

Where is the market? It exists simply in the minds of the participants. Is it real? If you accept real as anything that has an energy form, yes, it is real. It is very real.

At the moment of creation of a market then, energies were coming from various directions, adding together in various ways to form that particular market. This is the same as when a

child is born. Energies come from different directions, adding together in particular ways, to form that unique child. It is logical then that a market will respond in the future to energies coming from those directions.

I sometimes think of this as a fancy TV antenna. This is an antenna that points toward several stations simultaneously. My research has convinced me that this energy antenna is held in alignment by our geomagnetic field. Every market, every person, every object, every animal, everything on the earth has a natal antenna. That antenna is sensitive to energy coming from particular directions.

You have already seen how the Face of God pattern reveals energies forming at particular points of the compass. The energy patterns are definitely directional.

If you think of the planets in the FOG pattern as energy transmitters, and place the natal antenna of a market at the center of the FOG pattern, you can see how an antenna radial lined up with a planet will pick up energy. An antenna radial that is not lined up with some planet will not pick up energy. In that way, each market, each individual, each animal, and each piece of matter is sensitive to particular FOG patterns. Those FOG patterns are those FOG patterns which align most closely with one or more radials of their natal FOG pattern.

To make this clear to you I would like to work through an example using IBM stock. Figure 7-1 shows both the heliocentric and the geocentric ephemeris charts for the natal date of IBM stock, which is 5/1/1958. Look at the charts now.

Note in the heliocentric wheel the cluster of Jupiter, Neptune and the node as indicated by point #1. Very close to those are the Moon, indicated by T, and the Earth, indicated by E. That cluster is near 210 degrees. The line extending through E is called the "life-axis." That is indicated at point #2. That lies at 40 degrees. That generally gives IBM a slope of about 40 degrees, which is a nice longer term growth slope. If you look at Points #3 and #4, you also see some steep slopes caused by Mercury, Saturn, Venus and Mars. These steep slopes will give IBM the characteristic of having some fairly volatile and fast moves.

In terms of long term cycles, IBM should display evidence that it reacts to the Jupiter-Neptune, Jupiter-Node, and Neptune-Node synodic cycles. A synodic cycle is the cycle formed by two planets, starting when they line up with each other, and then as they move around the sky and come back up to line up with one another again. They have traveled a full synodic cycle, or 360 synodic degrees. More information on synodic cycles is contained in my video tape, "Finding Astrocycles With An Ephemeris."

Figure 7-1 also has a geocentric wheel. Of particular note in the geocentric wheel are two particular oppositions. First, Mars is opposite Pluto. Second, the two fastest bodies, the Moon and Mercury, are in opposition. This will make IBM capable of some sharp, fast moves triggered by the Moon and Mercury. Also note that Saturn in the geocentric wheel is very nearly vertical. This means that IBM will be capable of some steep vertical moves.

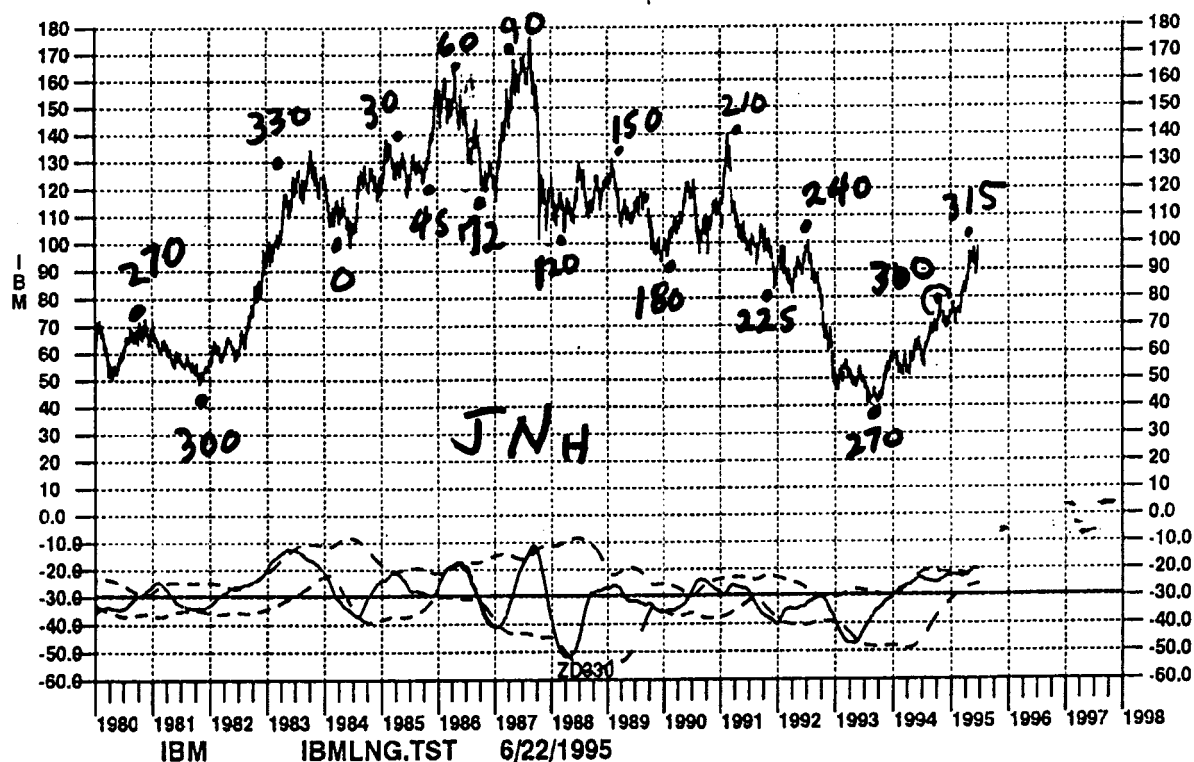


FIGURE 7-2.

Now look at Figure 7-2. It shows IBM stock with the turning points of the Jupiter-Neptune synodic cycle. At 30, 15, or 12 degree intervals of the Jupiter-Neptune cycle, IBM makes a turn. Notice that the high of IBM in 1987 is very close to Jupiter 90 degrees to Neptune. Note the low in 1993 is very close to the 270 degree point of Jupiter-Neptune. Between the 90 and 270 degree points we had a 180 degree swing, one-half of a circle. Keep in mind cycles tend to swing 180 degrees one way, and 180 degrees the other way. It is like day and night.

The intermediate turns between these two points are fairly consistent. Note the 120 low, 150 high, 180 low, 210 high, 225 low, 240 high and 270 low.

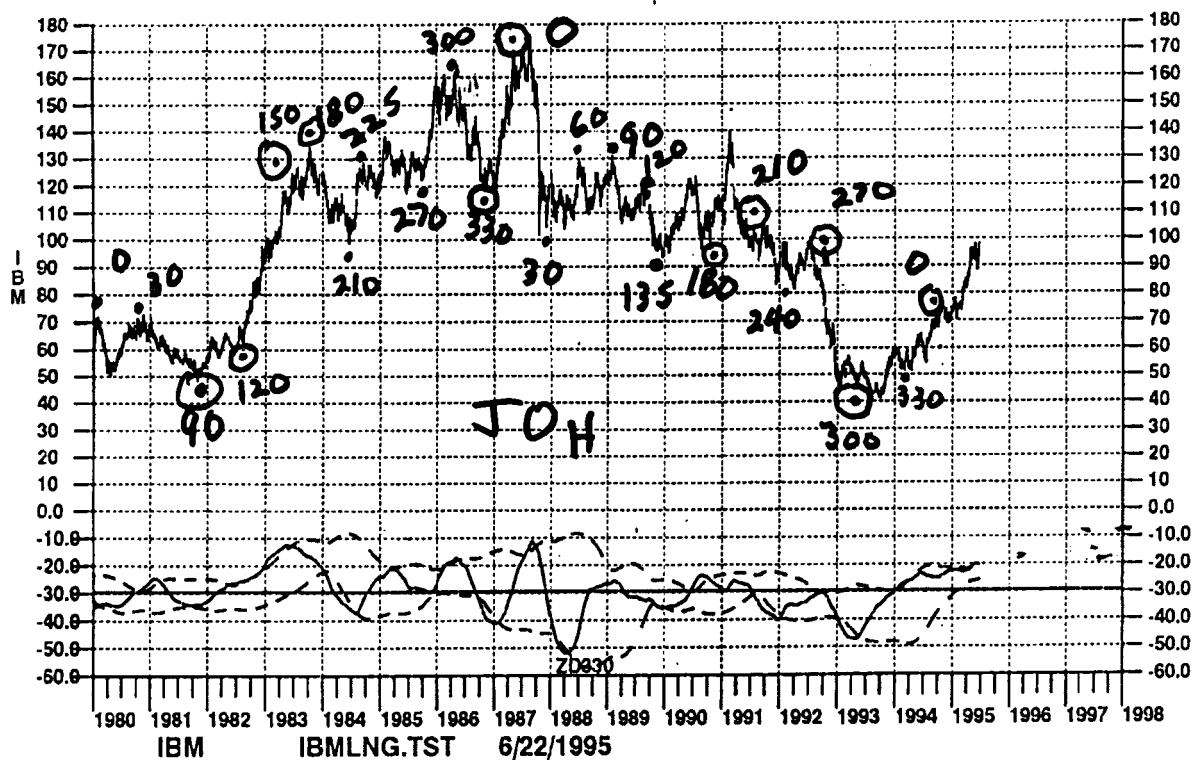


FIGURE 7-3.

Figure 7-3 shows the Jupiter-Node synodic cycle with IBM. Notice that the low in late 1981 came at 90 degrees, and the high came near 0 degrees in 1987. That was a 90 degree swing. This is the second harmonic of the normal 180 degree up, 180 degree down cycle. Notice that when Jupiter and the Node came together at 0 degrees, and Jupiter and Neptune came together at 90 degrees near the same time, we had energies adding together, causing the sharp peak in 1987. When those energies ceased to add together we got the sharp drop late in 1987. Energy addition is what moves the markets.

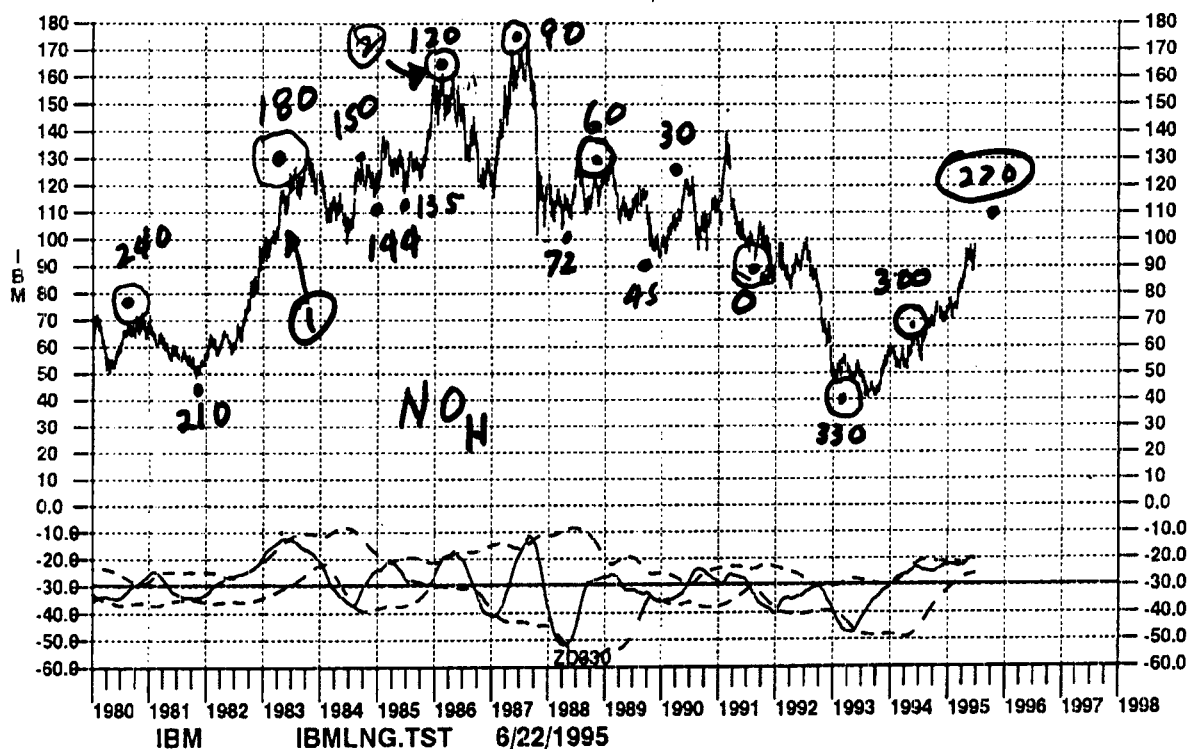


FIGURE 7-4.

Now look at Figure 7-4. This chart shows Neptune and the Node helio cycle in IBM. Notice again that the peak in 1987 had Neptune and the Node at 90 degrees. That was part of the energy addition of the three major long term cycles in IBM, but notice a little different behavior. Notice that the 180 degree point was apparently a strange attractor that was too hot to touch. Notice how prices rose in 1982 from the low in late 1981 at 210 degrees up toward the 180 degree point and went vertical as shown as point #1 right under the 180 degree point. Prices then tended to follow the arc along the 180 degree Neptune and the Node FOG pattern and then were blasted out away from that center. A similar thing happened as shown at point #2 at the 120 degree point. Prices were pulled vertically up into that point, could not quite touch the hot stove, then were blasted away from that point. It is this hot stove effect that has caused much of the inaccuracy in financial astrology.

These three charts, then, show how the major long term cycles in IBM added together to form the 1987 high. Then when they didn't add together quite so well, prices sold off into the low in 1993. It should be obvious from this example, then, that the natal antenna of IBM is picking up these particular cycles. When those particular cycles line up well with that natal antenna, IBM absorbs more energy and when that alignment is lost, IBM gets less energy. So prices go up and down depending upon how much energy is being picked up by IBM's natal antenna.

This leads to a brilliant idea. Suppose we do a calculation using a stock or commodity's natal FOG. Suppose we take each of the 10 radials coming out from the center of the natal FOG pattern, and for each one of these angles, watch to see when any of the current planets cross that part of the antenna. When they get close enough to the radial, we will assume that they are adding energy and start counting. As the planet moves and lines up directly with the radial, we will reach a maximum count. Then as the planet passes the radial, the count will decline. Then let us add up the counts for all of the radials in the natal FOG antenna and call that the "natal hit score." This score is an ongoing measure of the energy that a current FOG pattern will feed to a natal FOG antenna.

We take each spoke in the antenna. We watch all of the current planets as they pass the spokes. We score the energy they feed into the natal antenna. We then add up the scores for all of the spokes to come up with a composite "natal hit" score. This is a measure of the energy being received by the natal antenna. We can compute this as a natal hit function.

Technical analysts love indicators. This is an indicator. What does it indicate? It indicates times when a particular market will be most sensitive to energy input. It does not necessarily indicate the direction that market will move. For our purposes it may indicate where the centers of the FOG patterns are for that market.

This concept, of course, needs to be researched much further which is one reason I am sharing it with the subscribers of this course. However, the concept is theoretically sound, so lets see how it works out.

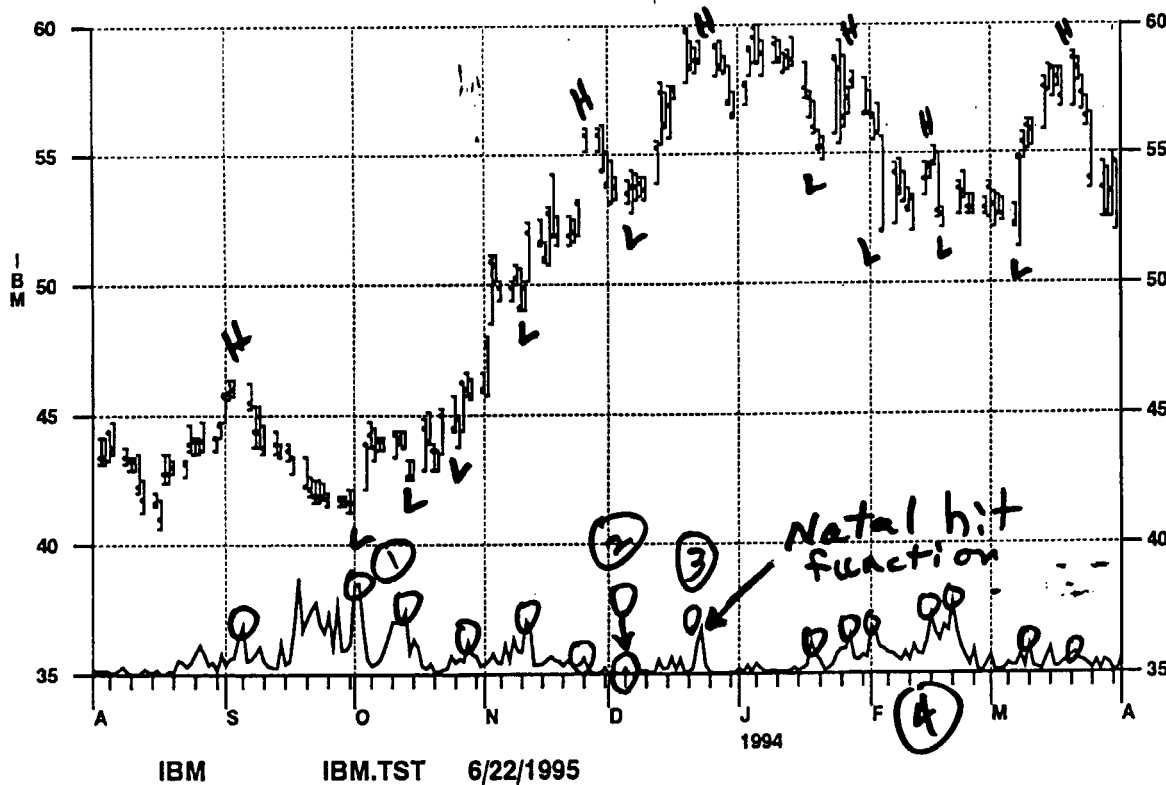


FIGURE 7-5.

Look at Figure 7-5. This is a daily chart of IBM in late 1993 and early 1994. Along the bottom I have plotted the natal hit function. That natal hit function has several peaks that are circled.

These energy peaks have an eyeball correlation with highs and lows in the chart. Notice the general pattern of a cluster of peaks occurring in September and October of 1993 near #1.

IBM made a strong rally up until the natal hit peak near #3 in December 1993. Then it declined into lows near the cluster of peaks in February of 1994. So there does seem to be some correlation.

But notice that the scale of the peaks is not perfect. For example, the strong peak at #1 did result in a strong move starting. However, the minor peak at point #2 also resulted in a fairly substantial move. It is obvious from this that there are times when only a minor amount of energy is needed to move a market.

This is 100 percent consistent with chaos theory. Chaos theory is a theory of balance. When the strong opposing forces are balanced perfectly it only takes a small force to tip

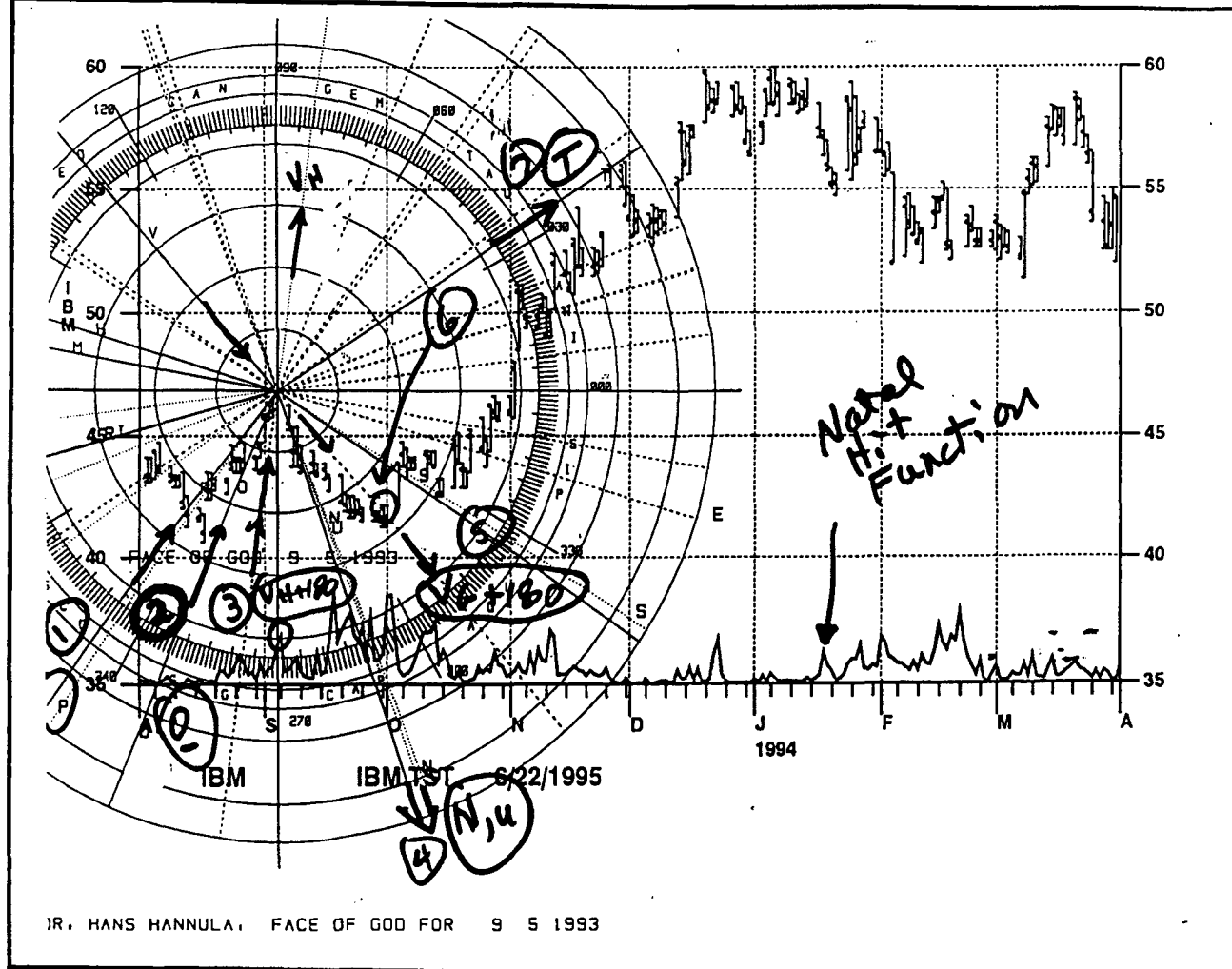


FIGURE 7-6.

the balance. It is theoretically true that in any market at various moments the buyers and the sellers will be perfectly counter-balanced. Price will be stationary at that time.

One trader from anywhere in the world can make one trade that will tip the market. Keep that in mind when you are trading. You cannot absolutely predict this. However, being aware that the balance point will most likely occur when that market is getting energy from its natal antenna will help you identify them. It's those balance points that are the center of the Face of God patterns.

So let us look at various FOG patterns centered on some of these natal hit function peaks.

Figure 7-6 shows the first one on September 5, 1993. Going into that point we had a sharp, swift rally. Notice it coming up along the Pluto line at #1, the Node line at #2 and the last few days of steep rally coming up along Venus helio + 180 degrees.

Keep in mind that in the natal chart IBM had Saturn geocentrically and heliocentrically very close to this vertical line. So as Venus helio swept in opposition to Saturn natal, it helped created the energy peak that created the center of the FOG pattern. Notice that during the last few days in the FOG pattern center, the range of the trading got very narrow. This is

the minimum risk point. You can sell below the low of the last two days before the peak, with a stop just above the center of the FOG pattern. That is a low risk trade.

Point #4 in the chart shows the initial thrust that started vertically, then began running along the Neptune-Uranus line. It also held below the Venus geo + 180 line as shown at point #5. It broke across that line going up at point #6. A reasonable stop procedure would have been a stop following along the Venus geo + 180 degree line coming down, claiming profits when that the line was touched.

Also notice at point #7 the direction of the Moon. It was pointing up to the right, toward the Northeast. I have discovered that in FOG patterns and major turns, that the moon often serves as a "pointing vector" for where prices will go later. This makes sense with chaos theory. It is the moon that is tipping the balance, so it sets the direction.

So this FOG pattern centered on the peak of the natal hit function on the 5th of December seemed to work out quite well.

THE FACE OF GOD PATTERN

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1993 17:00 UT 2449263.208 JEO

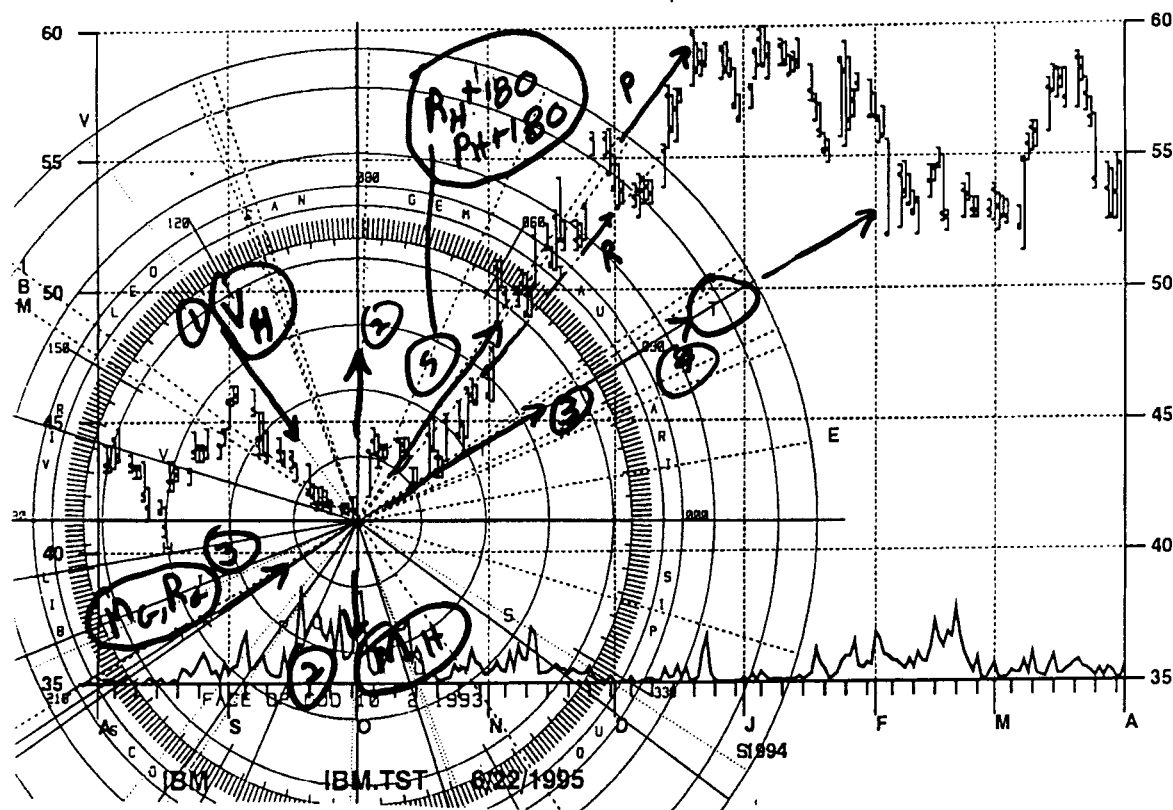


FIGURE 7-7.

Figure 7-7 shows a FOG center on the peak of October 2, 1993. The decline into that low had come along Venus helio or stayed under Venus helio as indicated by #1. Notice that the last FOG which pulled prices up was also Venus helio but Venus was just about at 90 degrees. When Venus passed 90 degrees it "went over the top." So it's upward pull ended and it became a downward force and that downward force is shown in the second FOG. At point #2, though, we have Mercury helio at 270 degrees. That is going "under the bottom." As Mercury was going under the bottom it had a good chance to turn prices. That's Mercury helio.

Meanwhile Mercury geo was lining up with Mars geo as shown at point #3. So now Mercury was working to turn things around. Notice who was helping. Out at point #4 we have the Moon lining up with Mercury and Mars geo, and what happened? We got a sharp vertical rise.

The first support line on that vertical rise was on line #5, Mars and Pluto helio. So now we have some longer term cycles pointing us upward at about a 60 degree angle, as well as the Moon pointing away from this FOG center up at about a 40 degree angle. Remember that 40 degrees was the "life axis" of IBM. Energy on the life axis is always important.

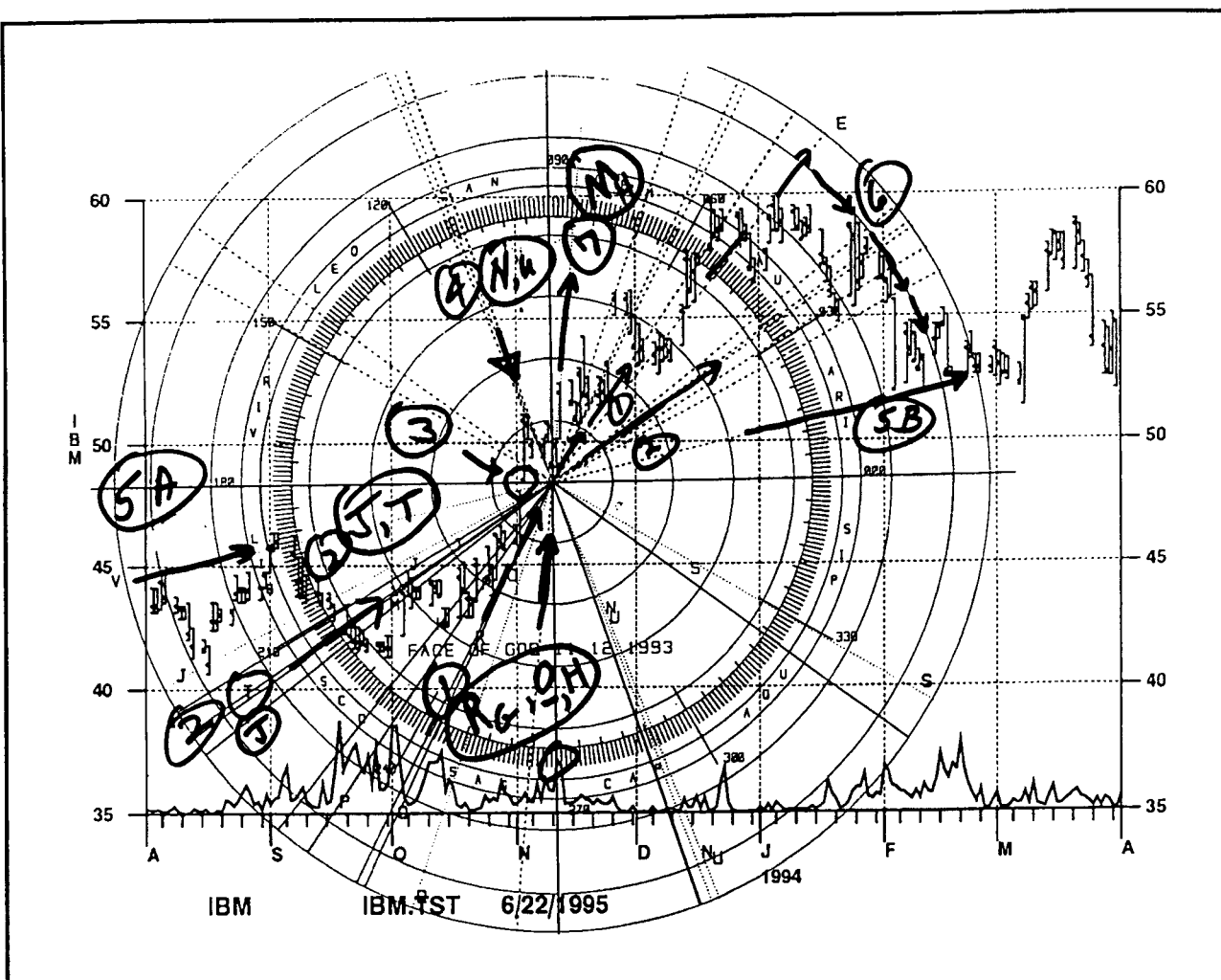


FIGURE 7-8.

Now look at Figure 7-8. This is a FOG centered on November 12, 1993. At that time prices had rallied sharply and then pulled back for a few days. Line #1, formed by Mars and the Node, was up very steeply, providing support under the rally. The top of the rally was held in place by point #2, the Moon and Jupiter. This is a rising wedge pattern which gapped about the wedge at point #3. I have found that gaps frequently tell me the level of a future FOG center. The gap up on the 2nd and 3rd of November was followed by the rally up into line #4. Here it encountered the downthrust from Neptune and Uranus. The downthrust brought prices right back to the center of the FOG.

At that point prices were trying to touch the hot stove. The center of the FOG is an intense energy point. Recall, also, that Mercury in IBM's natal chart was capable of producing fast moves because it was very near the bottom of the helio wheel. The current position of Mercury is very close to going over the top. Prices were jerked away from the hot stove center vertically on the first day after passing the center of this FOG. The energy was released upward along the fan of prices given along line #1.

A couple of other things to notice on this chart. The highs formed by Venus along line #5A later provided a support line shown at point #5B. Prices arced down into that level of 5B

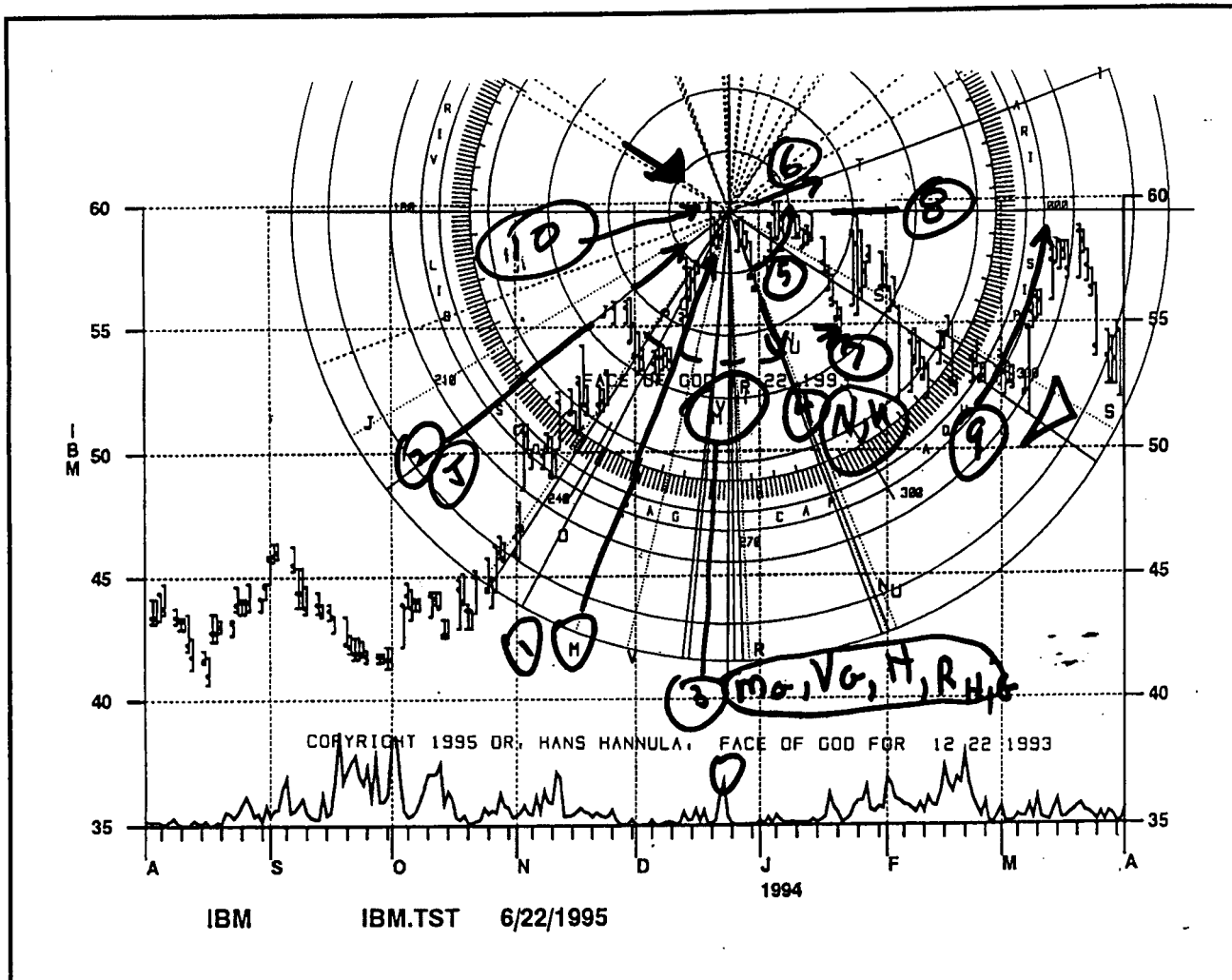


FIGURE 7-9.

along arc #6. That arc was rotating down and to the right. After that the energy from the explosion at the center of the FOG had dissipated.

Now refer to Figure 7-9. It shows the December 1994 peak in the natal index with a FOG centered near the highs. At this time we have several bodies either close to going under the bottom or over the top. First, Earth goes over the top approximately the 22nd of December, so we were approaching that point. Mercury geo, Venus geo, the Sun, and Mars helio and geo were very close to going under the bottom. Prices had rallied sharply with the support line of the rally being along the Mercury helio line indicated at point #1. Resistance was formed by the Jupiter geo line at point #2. When the center was touched, prices changed direction and sold off along line #4, the Mercury-Uranus line. Then prices rallied along the arc of #5.

So we see a sharp drop, a rotation causing a rally, and the rally stopping at line #6, which was caused by the Moon. However, by the time that rotation occurred the Moon itself was also going over the top. Then prices sold off further on point #7 down along the Saturn lines, came up into the center of the FOG at level #8, then wandered lower along the Saturn lines. As a final point, notice the high set by point #10, which occurred just before

the FOG center was reached. It hit the Saturn lines coming down. Frequently that will be a warning that at the center, prices will turn down.

A piece of trading information from this pattern. Had you identified this pattern and sold on a stop just under the last couple days lows going into the center, you would have had a quick profit, but you would have to move very aggressively to capture it. When prices came off the Neptune-Uranus line on the first day of rotation up at point #5, you had a warning that they might go higher and they would probably go up to the Saturn line. Once they had crossed the Saturn line there is no excuse for staying short. None! The FOG pattern was telling you that the selloff along the Neptune-Uranus line was not going to continue. The best that could happen would be a future selloff along the Saturn line.

However, once having seen that rotation up to point #6 and then congestion, your sell on stop under that congestion would have caught the move down into #7. For a better view of that move, refer to Figure 7-10.

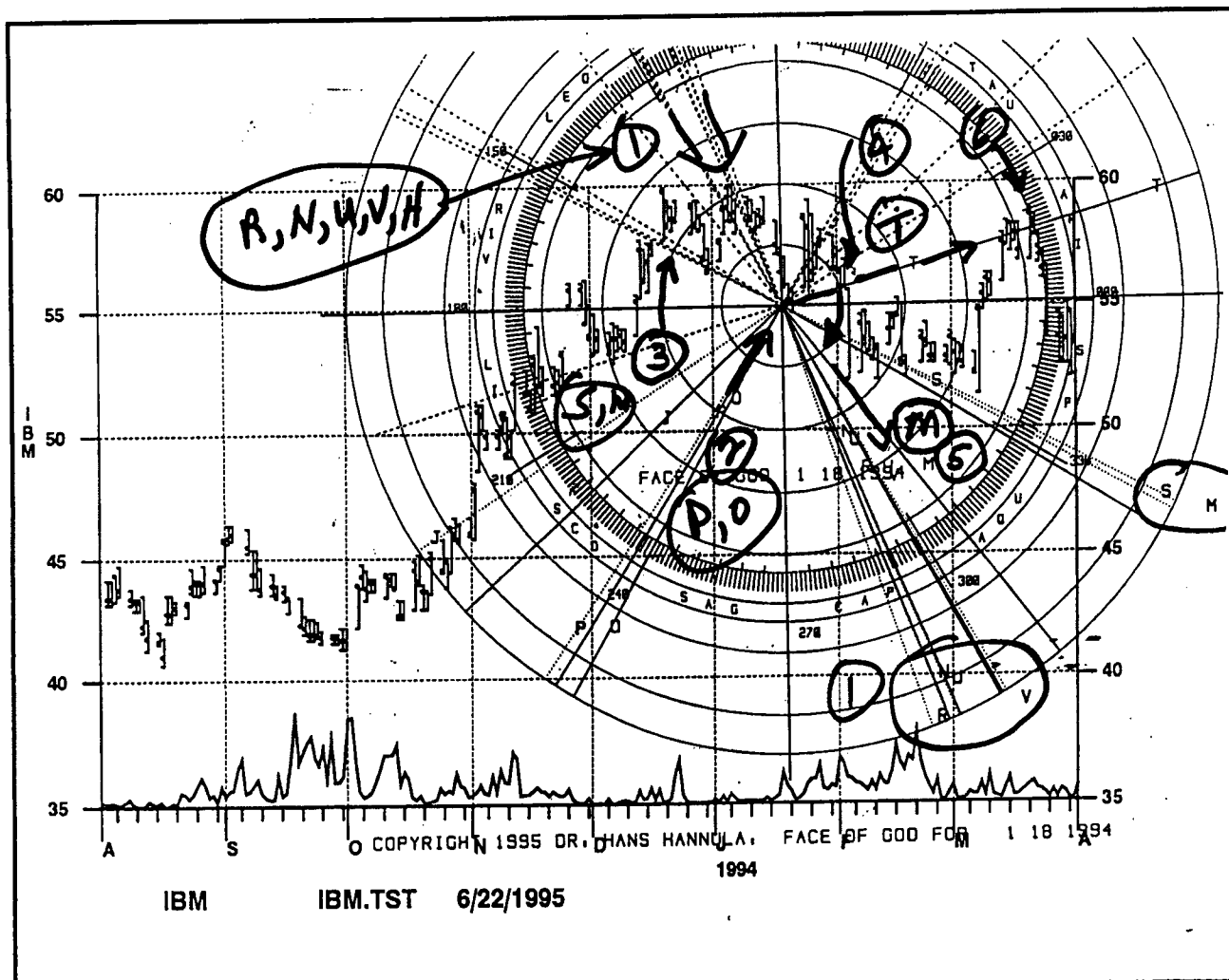


FIGURE 7-10.

Figure 7-10 shows the FOG centered on the 18th of January, 1994. It shows a selloff that had generally occurred along a downgoing Uranus-Neptune line as it was overlayed by Mars, Venus and the Sun. We then had a fairly quick rally along the Pluto and the Node line at #2. There is basing along the Moon line at #4. This Pluto Node line was 90 degrees or square to line #3, which was being formed by Saturn and Mercury.

A point you should know is that Pluto, the Node, and the Moon often work together to create high volatility. The letters I use spell POT, the boiling pot. Notice the extreme range for a few days as prices tried to come up out of this FOG center.

Notice just under the arrow at point #4, the rotation around the center of the FOG was clockwise. That spun prices down to the Mercury line at point #5. Notice this is a geo Mercury line and notice that it is close to the Saturn helio-Mercury helio conjunction line. So there was energy in that direction associated with Mercury which helped the "spindown." Also notice at point #6 prices later came up to the Moon line and then sold off exactly along the arc coming down.

This chart shows some wild behavior around a FOG center. Prices were pulled down into the center, the intense energy point. From that point they were shot upward but then

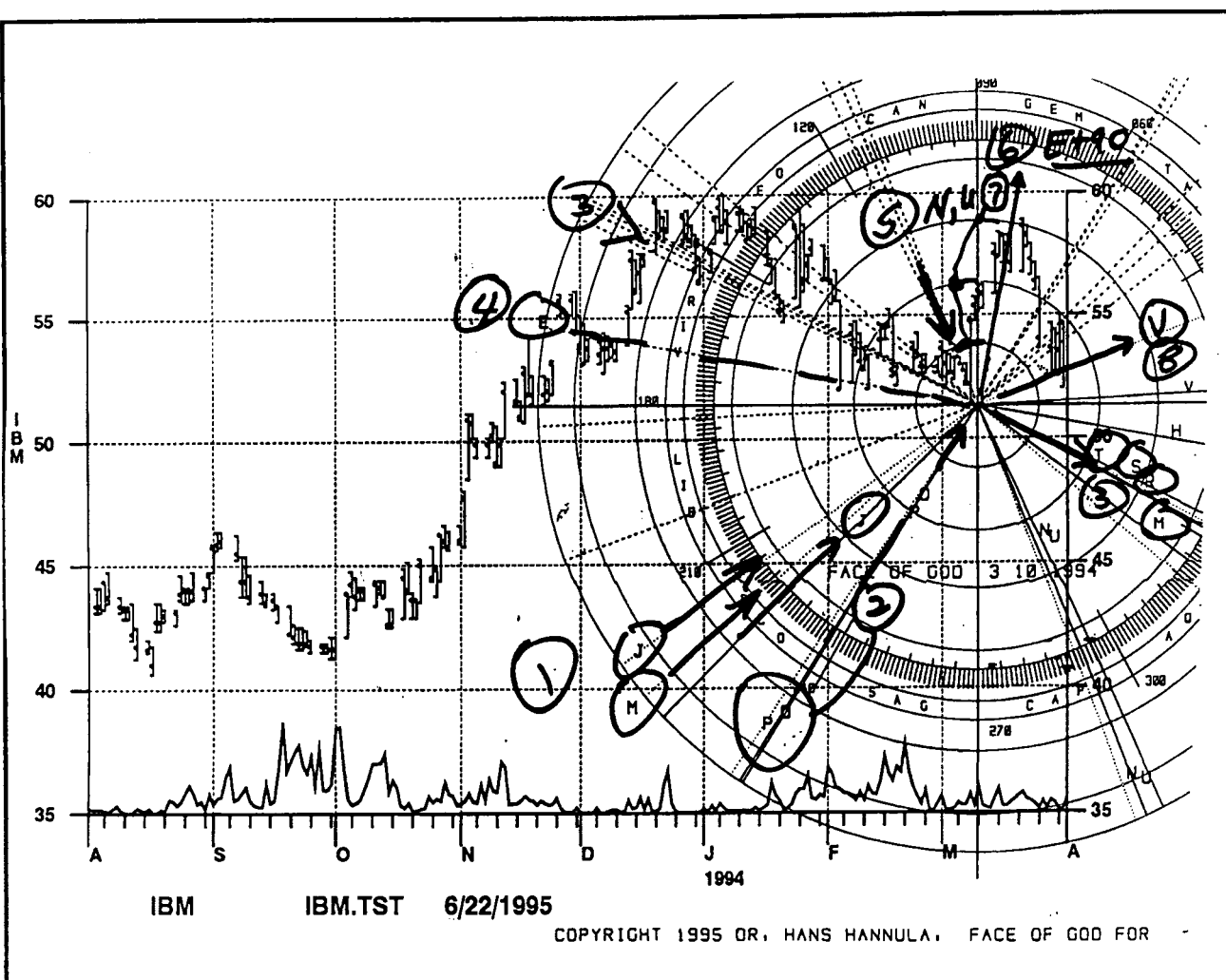


FIGURE 7-12.

Point #8 was resistance along the arc coming from the high near point #4, which is along the Neptune-Uranus line. If you look at this chart you will see several other areas of fit. Line #5, Mars geo, forms a support line. Line #6, Mars helio, formed a support line. Point #7 shows Mercury-Earth helio setting the tops. Finally Point #9, the center of the FOG, was very close to the gap that was made back in November 1993.

This FOG pattern centered on the natal hit high in February told you a lot about what IBM was doing but did not necessarily give you any trades. That will happen. You have to use a FOG as an information system. It tells you what the planets are doing in a market. It does not necessarily give you all the information you need to make money. However, it will frequently give you some very good information that will make it easier to make money. One such point is shown in Figure 7-12.

Figure 7-12 shows that prices were generally declining along the line labeled #3. It was formed by Saturn, joined by Mars, Mercury and the Moon. Look to the lower right of center, point #3 in the chart. The line extends to the center and shows that general support of that energy beam as prices came down. The ultimate support of those prices was coming from Earth along line #4 as it was catching the lows. Keep in mind that in March we have the change of seasons at the spring equinox around the 21st. At that time one will often find

vertical moves. A clue that a vertical move could occur here is shown by point #1 because Mercury was lining up with Jupiter helio down in the Southwest quadrant. Further, this conjunction was along IBM's life axis.

Simultaneously Pluto and the Node were lining up at point #2. At point #5 you notice that prices for a few days vibrated very close together, indicating that we were near a FOG center. After a couple days of downward pressure from the Neptune-Uranus line at #5, prices took a sharp vertical rise at along line #6. Line #6 is one of the few lines that you will not find on your FOG overlay. This line happens to be a line that is 90 degrees to the Earth line. Prices broke above the downgoing Neptune-Uranus line and did go vertical for a few days, crossing first the inner arc, then the second arc and finally the third arc in the FOG pattern as indicated by point #7 in the chart.

All one needed to know at this time to make a successful trade was that you were coming into a FOG center and that if prices came out of that inside ring in either direction there was a reasonable chance of a successful trade. In this case, prices came out of the ring and went out to the third ring before they stopped. That move out to the third ring may or may not be an average movement of prices in IBM after going vertical.

In summary then, all markets respond to the Face of God pattern individually. All markets respond according to their natal antenna which picks up the energy from the Face of God pattern. The Face of God pattern is merely the vibrations in the universal energy field caused by the motion of the planets. The series of examples in IBM also shows that these patterns are consistently congruent. This means that prices fit in with past, current, and future patterns.

This shows you in a graphic way how the market price, to exist at a certain price level at a certain time, must be following the harmonics of the energy field. Those harmonics are in the field before price responds to them.

So to find out where price may go, you have to study the energy field. The pattern generated by that field is the Face of God pattern. By properly placing the centers you will be able to derive some low risk trading opportunities and build a trading plan using the Face of God pattern. This example in IBM shows you how you can use the natal information to find the center location for the Face of God patterns. One only has to shift the pattern vertically to find the centers.

Table 7-1 at the end of this chapter gives the natal dates for commodities. It is based on the date of first trade, as compiled by Dr. Ruth Miller. For stocks, see the book, **Standard and Poor's 500**, by Carol Mull. Appendix A describes the operation of the program to compute the natal hit function for any natal date. With the hit function, charts, and FOG patterns, you are prepared to study, track, and trade any market.

Here are three other suggestions. Make a natal FOG printout for each stock or commodity that interests you. By that I mean construct a FOG pattern for the date of first trade for that stock or commodity. Just do the paper copy. Lay each day's FOG transparency on this paper natal FOG. You will see the natal hits as they come up.

Here's the second suggestion. Make a natal FOG sheet for yourself. Lay each day's FOG transparency on it. Note the effects that various natal hits, or transits, have on your emotions. Find the times when your energy field is most favorable for trading.

Also look at your life axis. That's the E-H axis in your natal chart. Look at the life axis of each stock or commodity you want to trade. Theory says you will have the most success with those that align with yours. Refine this by comparing the entire FOG pattern.

COMMODITY	FIRST TRADE DATE
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WHEAT	5/1/1884
CORN	7/14/1888
SOYBEANS	10/5/1936
SOYMEAL	8/29/1951
SOYOIL	7/17/1950
ORANGE JUICE	10/26/1966
COCOA	10/1/1925
RAW SUGAR	9/28/1970
FEEDER CATTLE	11/30/1971
LIVE CATTLE	11/30/1964
LIVE HOGS	2/28/1966
PORK BELLIES	9/18/1961
LUMBER	10/1/1969
TBONDS	8/22/1977
TBILLS	1/6/1976
S&P500	4/21/1982
COPPER	7/05/1933
GOLD	12/31/1974
SILVER	6/15/1931
HEATING OIL	11/14/1978
UNLEADED GAS	12/3/1984
SUGAR #11	12/16/1914
HEATING OIL #2	11/14/1978
COFFEE	3/7/1882
CURRENCIES	5/16/1972

After Handout by Dr. Ruth Miller, Astro Economics Conference, 1993.

TABLE 7-1.

What you are looking for, of course, is a trading edge. FOG gives you that edge if you do your homework. It is your task to study the stocks or commodities that interest you to learn how they respond to the FOG pattern. You must add value to the information system of FOG to create a trading system.

Keep in mind that the best trading opportunities occur when prices actually touch the center and then move away from it, either up or down. You can study one market very carefully, find what percentage of patterns when they reach the center make a vertical move. You can measure the length of the vertical move and determine what your gain will be. You also can measure how close you can place a stop for an entry. That determines your risk. With a bit of work, you can quantify the patterns and develop a trading plan.

Find the markets and the FOG pattern behaviors that will give you a large vertical move for a small entry risk. When you do that you have then established the parameters for a successful trading plan that is based on the physics of the universe. If you then trade that plan with the right mindset you can become a consistently successful trader.

8. A Tour of God's Gallery

Think of yourself as a planet. I'll be a planet, too. We are connected to the other planets and each other by the law of gravity. Your goal as a planet is to stay alive, survive, keep moving, for eternity. So how do you do this? Sounds like a big problem, but here is an approach.

One step at a time. Quantum physics tells us that energy occurs in quanta or very small pieces. It is not continuous. It is broken up into little pieces. They also tell us that is true of space. The pieces may be very small, but they are distinct and they are quantized. The first thing we have to know as a planet is that we can't move to any old place that we want. We can only move to the next point in space that is on a quantum gridline. It's like the child's game of checkers. You can only move to the next square.

This may be a very small motion, but it is a distinct step. It is a jump. Assume a rectangular grid. As a planet, if I look at the grid point I'm on, there are only eight new grid points I can jump to. These eight grid points form a rectangle around me. So how do I choose which one?

Deciding this by myself is pretty difficult. Suppose I get on the phone and talk to all my fellow planets. We have a common goal. We all want to stay alive. Suppose we negotiate the steps each one of us takes. Suppose we do that in such a way that we each lose the minimum amount of energy possible.

Once we have reached our collective decision, we can move. At the next instant of time, at the next quantum of time, we all jump. Instantaneously, we move that small quantum in space.

As soon as we have made that move, we have changed the universal energy field. The lines of force that connected all of us planets have now moved. The entire universal tachyon field has shifted. Everything in that field will feel the effect of our small step through the field.

That small step, that change of energies, will propagate throughout the field. It will propagate very fast. Some physicists believe it is limited to the speed of light. Others disagree, arguing that a field effect can be felt at remote distances faster than the speed of light.

I'm not a good enough physicist to know the difference. However, under either scenario it is very clear that a small sudden jump by the planets has created shock waves in the energy field. If this is true, markets, animals, people, material objects - everything will sense these changes in the energy field.

Such an instantaneous change has unlimited bandwidth. It generates waves of all wavelengths. At each wavelength, the ripples redraw the pattern of changes. All receivers in the universe detect the changes, each at its own wavelength.

A new state has been created throughout the universe. It will never be the same. The prior state will never be repeated exactly the same.

Thus it is with our lives. We each are born. We each will die. Some say over and over. Until we get it right. We are all driven by this energy field. It is always changing, evolving. Those changes bring us new things constantly. Sometimes, those new things change our lives forever.

The changing energy field brought me to the point where I saw the Face of God. Since that moment, nothing has been the same for me. I'd like to show you that first dawning of awareness.

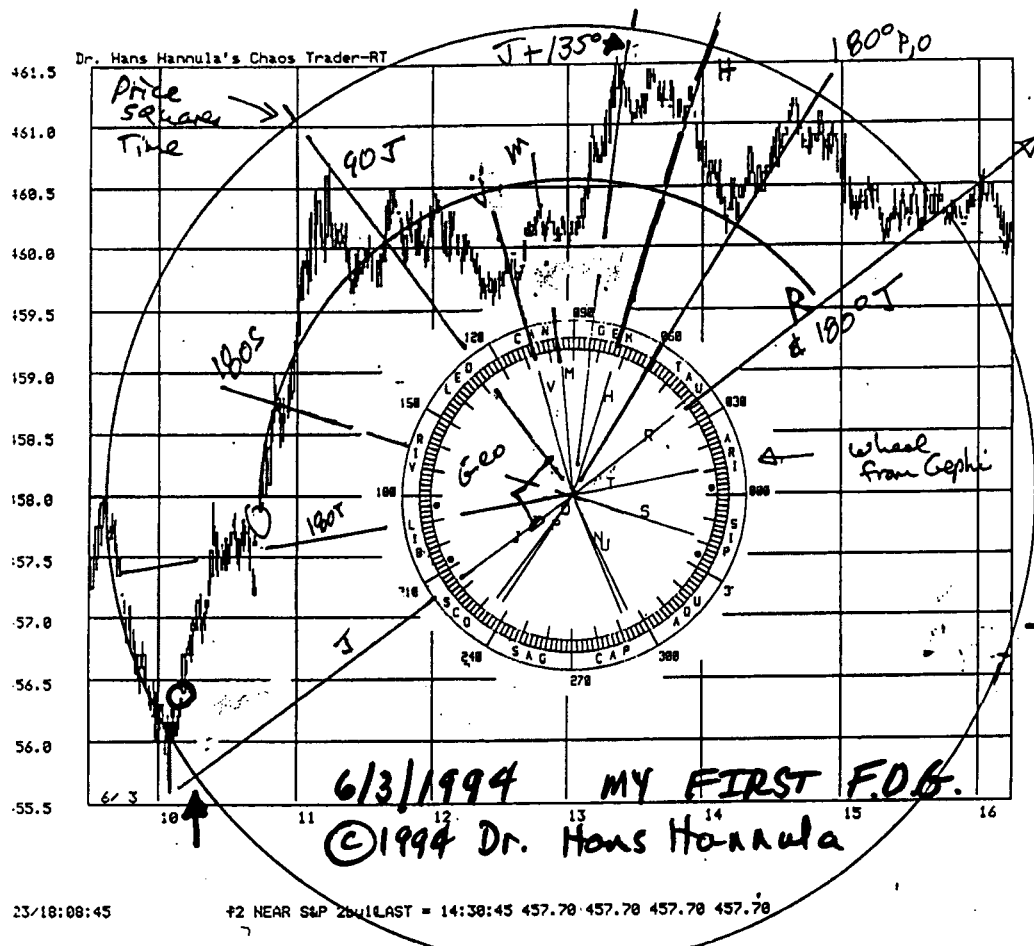


FIGURE 8-1.

Figure 8-1 shows the Face of God that I saw on June 3rd, 1994. This is a chart of the S&P 500. The market opened, rallied a bit, then sold off hard until just after 10:00 o'clock Eastern. The range at that point was 4.8 points, which is large for the S&P.

Then suddenly the market reversed and rallied strongly, retracing the selloff and shooting well above it. The daily range expanded to 10 points. Later in the day it reached 12 points.

As I watched this market unfold I was constantly looking at my ephemeris chart to see if I could determine which planets were causing this activity. I also noticed during the day that the rising prices were following an arc. I noticed that the early selloff was also an arc. I drew a circle the size of that arc. It turned down later in the day, rotating prices down. That looked like the rim of a wheel.

The center of the circle was at 1300 Eastern, solar noon. I found that lines out from that center formed radials. I sketched those on my screen. I always sketch on my screens with wipe-off markers. Drives some visitors crazy.

As I looked from my screen to my ephemeris and back, my retina must have held the images for a brief time. I suddenly saw that the two images were the same! In an instant, I

had seen the Face of God! I said aloud, "Oh, my God!." It was not swearing. It was awe. Wonder. Amazement. That instant changed my life forever.

I noticed that if I took my geo ephemeris wheel from my visual ephemeris and pasted it on the center of that circle that the radials I had sketched lined up with the planets. When I put the pattern on paper, it checked out exactly. The accuracy was amazing.

Life, for me, had reached a point where it would never be the same. I had seen my first Face of God pattern. I realized immediately that the odds of having seen it were very small. Had I drawn my ephemeris wheel any other way, I would not have seen it. If I had put Aries to the left as astrologers normally do, I would not have seen it. Had I just marked the planets, and not drawn lines to the center of the wheel, I would not have seen it. Had I not been scaling my charts correctly, I would not have seen it. Had I not been searching for something, I would not have seen it. So you will have to forgive me for feeling like I was getting some help from the Almighty.

The only thing in my experience that compared to this moment of awe were some experiences from my flying days. These are so beautifully described in the poem,

High Flight

*Oh, I have slipped the surly bonds of earth,
And dance the skies on laughter silvered wings;
Sunward I've climbed, and joind the tumbling mirth
Of sun-split clouds . . . and done a hundred things
You have not dreamed of . . . wheeled and soared and swung
High in the sunlit silence. Hov'ring there,
I've chased the shouting wind along, and flung
My eager craft through footless halls of air,
Up, up, the long, delirious, burning blue
I've topped the windswept heights with easy grace
Where never lark, or even eagle flew,
And, while with silent, lifting mind I've trod
The high untrespassed sanctity of space,
Put out my hand, and touched the face of God.*

John G. Gillespie

That's how the discovery got its name.

I had to share this wonderful news with my good friend, Greg Meyer. I sent him a fax, in part which said,

"As I watched the day unfold, I noticed that prices made a big circle. Then I noticed that the circle was a replica of today's ephemeris wheel. ... this suggests that as prices navigate the polar chaos grid, radials and arcs chosen are those currently energized by the planetary system. Whoever this Great Engineer is, He or She sure leaves their signature around a lot."

Now I would like to show you some of the approximately 3000 Face of God patterns I've seen in the past year. It forms quite an art gallery.

But before preceeding to take you on the tour, I would like to point out a couple of points about my personal FOG. My chart has Jupiter rising on my ascendent very high in the chart at 80 degrees. During the calendar year this translates to approximately June 3rd. That's when earth crosses that point. My discovery of FOG occurred exactly 30 years to the day after my graduation from the Air Force Academy. My son, Mark, was born on June 2nd. My wife, Nancy, has a birthday a few days earlier on May 29th. Our daughter, Amy, was born on May 25th. One year after discovering the Face of God pattern I made the decision to share it with others on May 25th. I mailed the letters on May 29th. I got the first orders on June 2nd, 1994. That's a lot of harmony at one time of the year.

Those observations and thousands of others, some of which I will show you, have convinced me totally that the Face of God pattern reveals the driving force, the Prime Mover of the universe, God Himself. You will become more and more convinced of this yourself as you observe carefully market action and things in your own life, aided by knowledge of the Face of God pattern.

To give you some practice in seeing the pattern unfold, let me take you on a tour through the gallery.

Our first stop is the Wall Street Journal room. Do you know the little economic charts that are usually on the front page? By some miraculous method, the Wall Street Journal manages to correctly scale those charts. They almost always show the Face of God at work. This good scaling is no doubt due to subconsciously feeling the resonance of the energy field. However it happens, you will find this set of charts fertile ground for recognizing Face of God patterns.

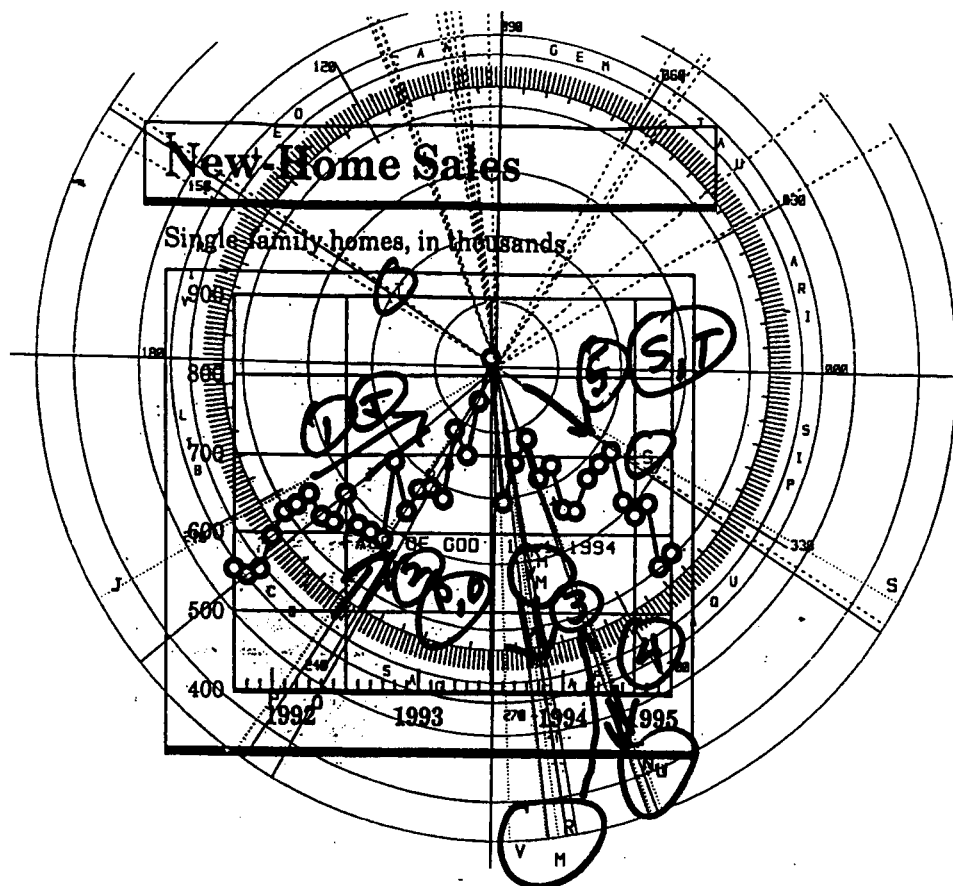


FIGURE 8-2.

Figure 8-2 shows new home sales overlaid with a Face of God pattern at the beginning of 1994. Point #1 shows geo and helio Jupiter pulling up toward the center. Point #2 shows a fast rally along Pluto and the Node until reaching the center of the pattern, where the Moon and Saturn triggered a hard selloff. The decline first went along line #3, which was Venus, Mercury and the Sun geo and Venus, Mercury, and Mars helio. A secondary decline came down the Uranus and Neptune line at #4, then rallied up to the Saturn-Moon line at #5. See what a versatile painter God is with one paintbrush?

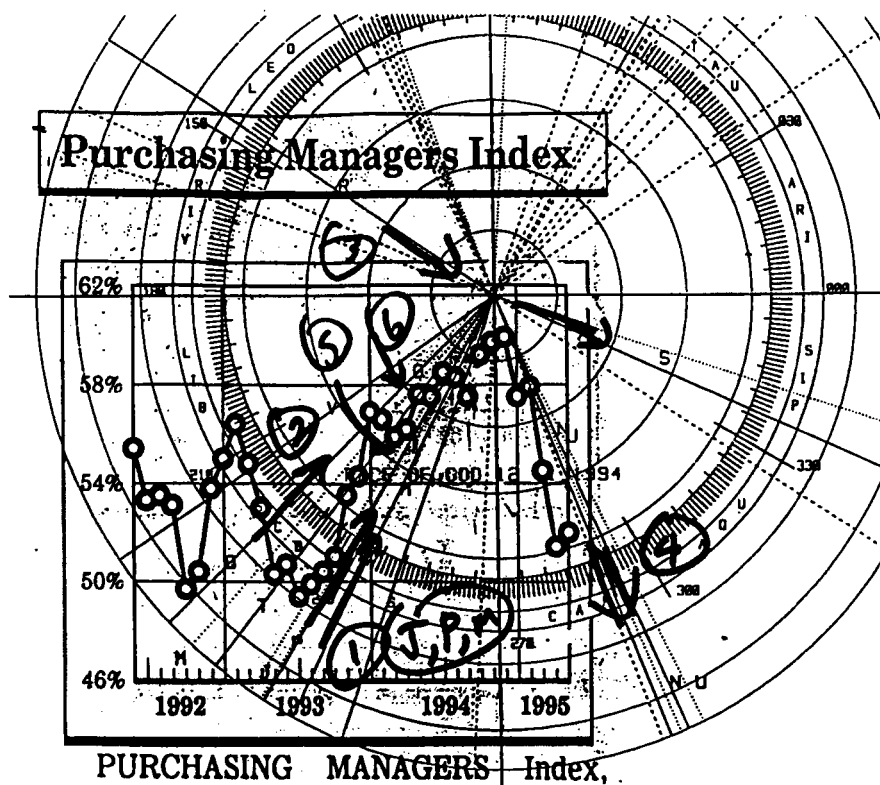
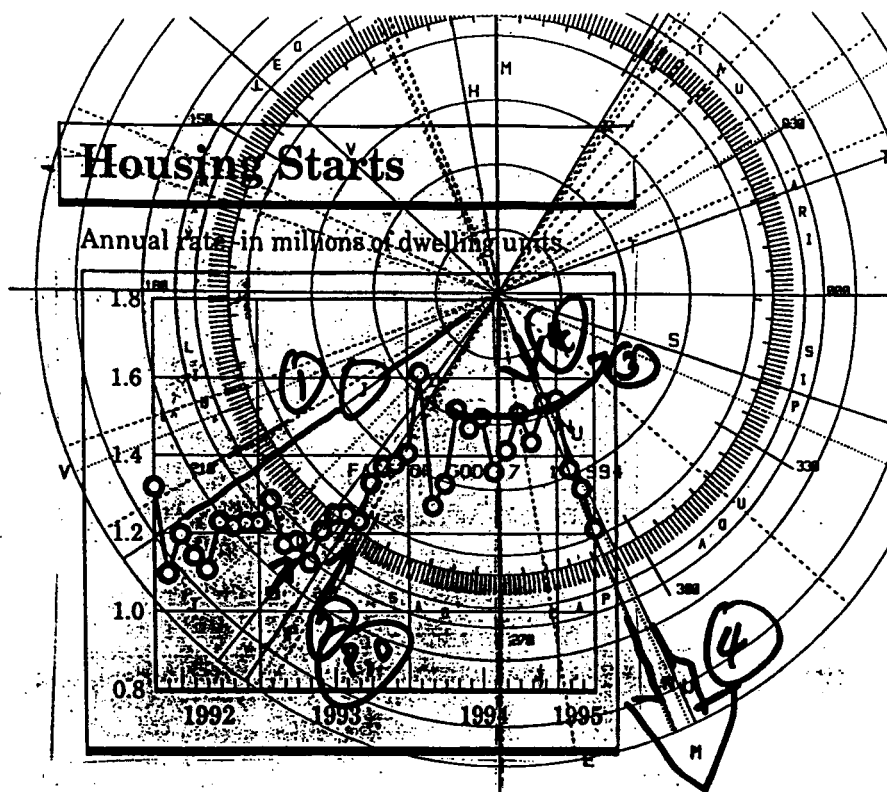


FIGURE 8-3.

Figure 8-3 shows the Purchasing Managers Index. This is an index of what percentage of purchasing managers expect to be spending more money in the coming months. It, too, is driven by the Face of God. Here we see a fast rally at #1 along Jupiter, Pluto and Mercury, with resistance from line #2, the Moon's Node. As it came into the peak, Mars and Saturn at #3 turned it down along Neptune and Uranus at line #4. Notice the subtle clues of arcs at #5 and #6.



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FIGURE 8-4.

Building a house is a large investment. Housing starts give a clue as to the general optimism or pessimism of people. I have found it to be one of the better indicators of how the economy is going. Figure 8-4 shows a rally in housing starts along line #2, Pluto and the Node, with resistance coming from Jupiter until July of 1994. Then housing starts began working along the arc shown at #3. However, as Mercury came around and lined up with Neptune and Uranus, the starts were forced down along line #4. Is this random behavior? It may appear to be random behavior, but if you look carefully, it is simply following the laws of the universe.

Married and Jobless

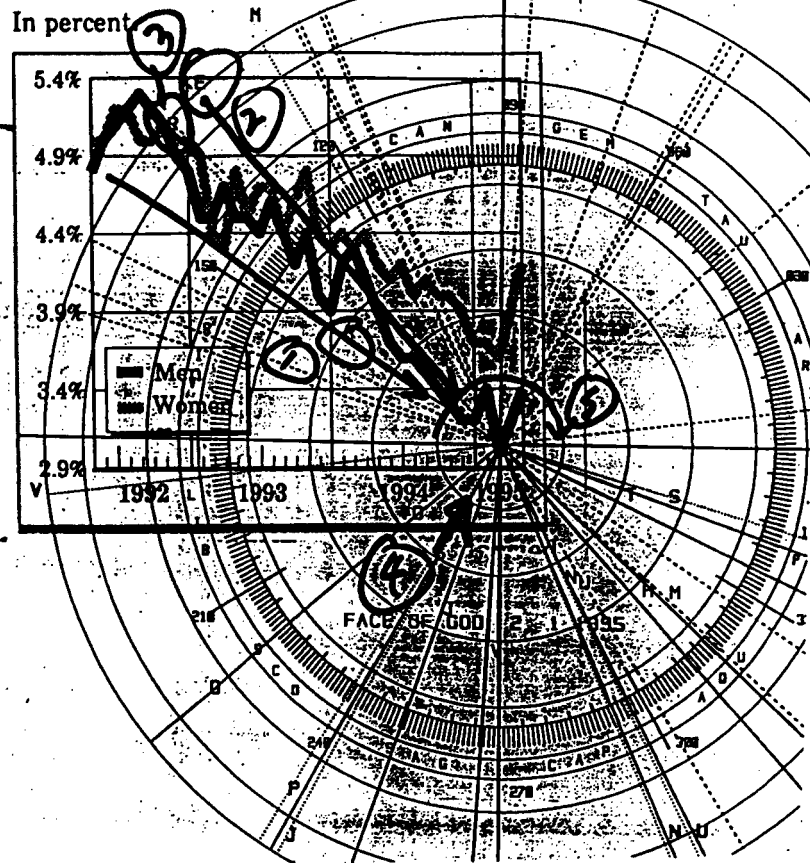


FIGURE 8-6.

One of the most difficult situations a person can deal with is having a family and not having a job or an income with which to pay the bills. Figure 8-6 shows the Married and Jobless Chart out of The Wall Street Journal. This chart shows a decline in the percentage of married and jobless along a wedge guided by Mars geo and Earth helio, at #1 and #2 on the chart. The decline has an average along Mars helio. The low in the chart is the center of a FOG pattern. The rally out from that center is along the Jupiter-Pluto line. The rally is now trapped inside of the arc at line #5. As we hear reports of the economy starting to slow, keep in mind that this chart may have shown an important reversal in employment.

Unemployment Rate

1 1995 17:00 UT 2449719.208 JED

In percent

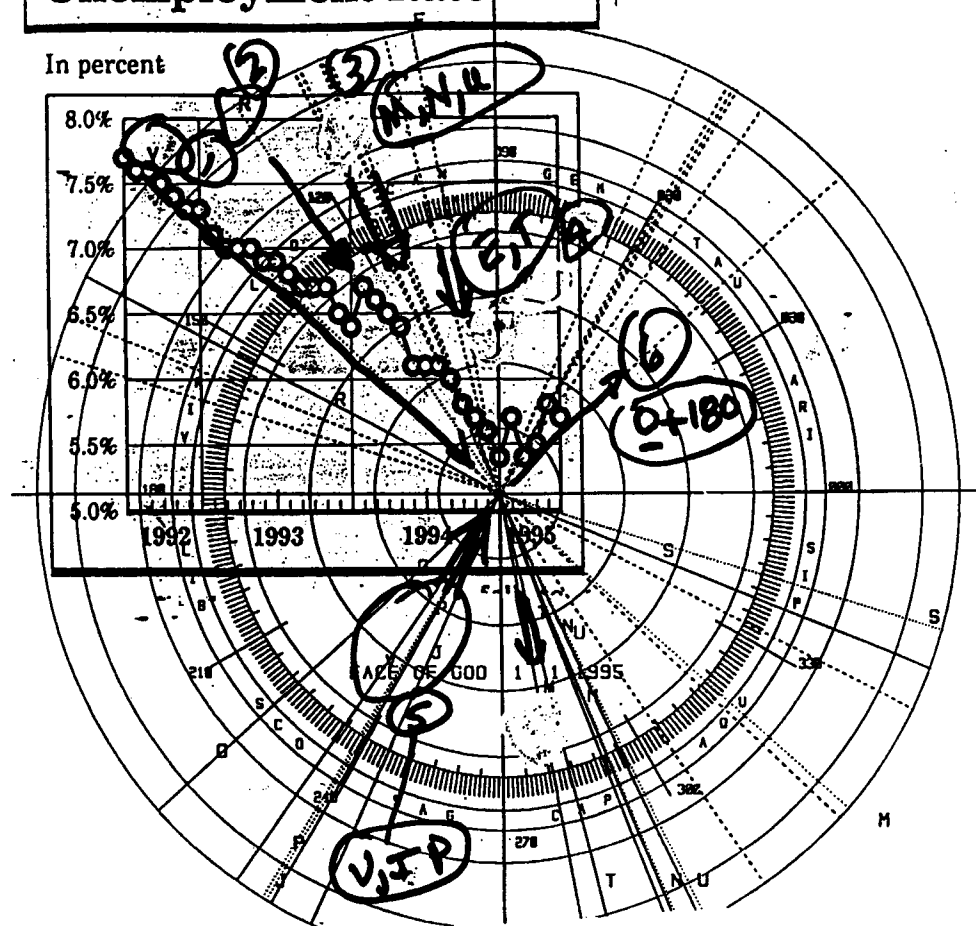
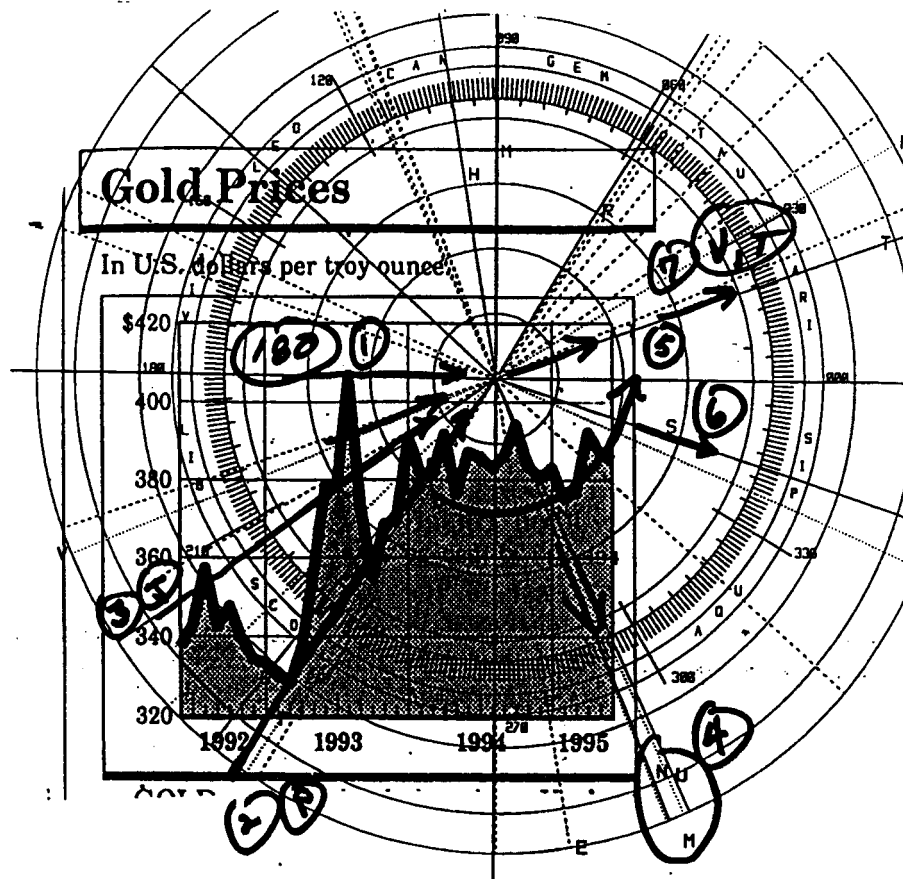


FIGURE 8-7.

If it has, it should show up in the Employment Rate Chart. Figure 8-7 shows the Employment Rate Chart. It has a rally down along the Venus helio line shown at #1, a bit of a rally and then decline along the Mars helio line at #2, holding flat, then further decline along the Mercury, Neptune and Uranus line at #3. Rates have a final fast push down along the Earth-Moon line at #4, then an upturn along line #5. This is Venus, Pluto and Jupiter. The final thing we see is a pullback to #6 which is Node + 180 degrees.

So this chart, too, interpreted with the Face of God pattern, is telling us that we may have seen an important upturn in the unemployment rate starting at the beginning of 1995.



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FIGURE 8-8.

The next portrait is gold. Gold prices have frustrated both traders and investors. After a fast run up in 1993, they have been mostly flat in 1994 and so far in 1995. A FOG centered on July 1, 1994 fits the Wall Street Journal chart nicely. The center is level with the top in 1993 at 180 degrees, indicated by #1. line #2, Pluto, supports the rally up toward the center with resistance coming at line #3, Jupiter. Then line #4 saw gold selloff as Mercury activated the Neptune-Uranus line. Prices sold off some but now are within the arc of line #5. If gold can overcome and rise above the resistance offered by the Saturn line at #6, we could see a good rally. If they are too weak to do that, gold prices will be set up for a decline.

Investors should note that a rise above the center of this FOG pattern would be quite bullish. Finally, notice that line #7, formed by Venus and the Moon, is pointing up and to the right. That's no guarantee that a rally in gold prices will occur, but it does suggest that it might. This implies that gold may be getting more interesting soon.

That concludes our tour of The Wall Street Journal room of this portrait gallery. If there are no questions we will now proceed to the Tbond room. No questions? Fine. Let's move on.

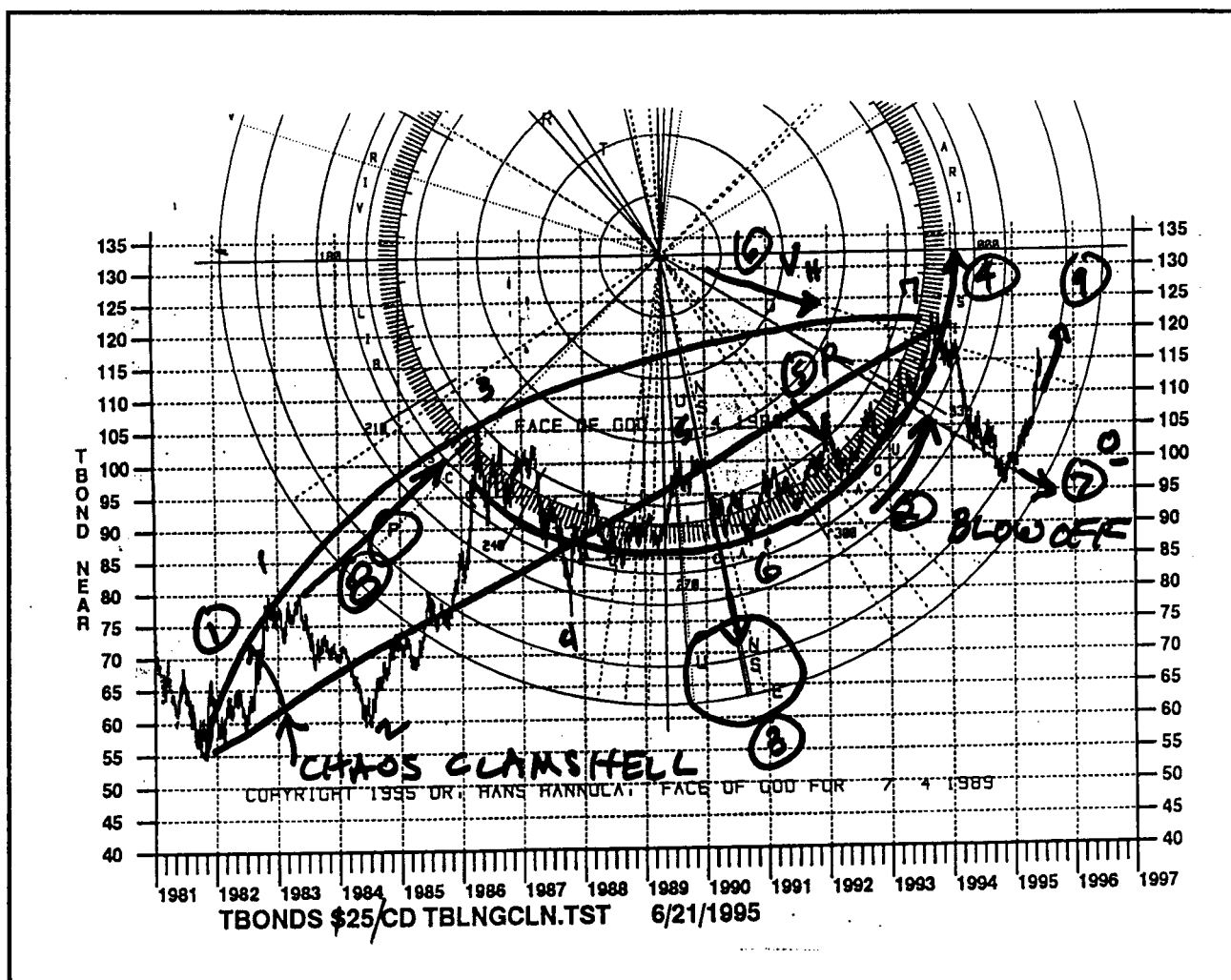


FIGURE 8-9.

Let us look at Figure 8-9. This is a long term chart, Treasury Bonds, since 1981. I have sketched on it the Chaos Clamshell pattern, indicated by circled #1. Like most Chaos Clamshells, it has 7 moves, shown by the uncircled numbers, 1,2,3,4,5,6 and 7.

Circled #2 shows the move 7 blowoff. This was no arbitrary blowoff. It was formed by the Face of God.

I have overlaid this chart with the Face of God pattern with the center on July 4, 1989. At that time bond prices rallied sharply and then sold off along #3 which is formed by Neptune, Saturn and Earth. Following that decline, prices continued along the arc #4, crossing resistance points such as the one at #5, caused by Mars. Prices crossed the one formed by the Node, rising to #6, Venus helio. Then came a hard selloff down to the Node line at #7.

Note the general pattern in the this brushwork. Prices were first pulled up toward the center, being stopped in the rallies by the Pluto line at #8. After spiking their high, they sold off. They then chattered around the arc, all the way up to the eventual high in late 1993. There they were blasted off the arc. That brought a sharp drop and a decline in 1994. In 1995 prices caught another arc along the line #9. This pattern of pull toward the center,

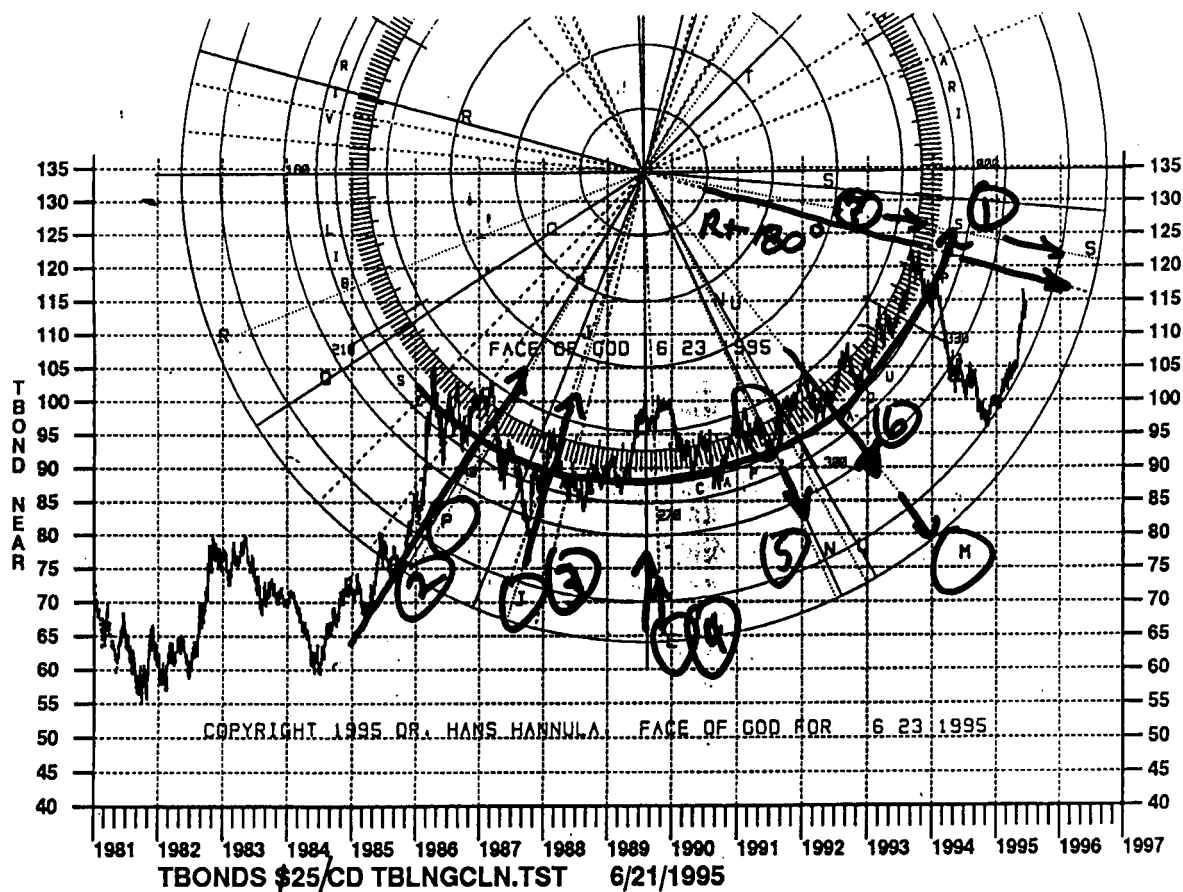


FIGURE 8-10.

work around the arc and then fall off the arc is typical of a very hot stove at the center of the FOG.

Another interesting thing about this portrait is that even though prices had not yet occurred along parts of the pattern to the right of center (the future), that the energy field to the left of center (the past), was determining the conditions for these movements, in advance. Keep in mind that the prices are the result of the mutual harmony of all participants.

It is this harmony now that must permit harmony in the future that makes the energy field timeless. I call this property of FOG patterns being consistent with past, present and future patterns, congruency. It is quite easy to observe in any chart.

Look at the portrait in Figure 8-10. I placed a Face of God pattern for June 23, 1995. The arc still fits, of course, as shown by line #1. Line #2, the Pluto line, supported the rallies in '84, '85, '86 and early '87. Jupiter fit in with the rally of late '87, early '88. Earth going over the top fits in with the rally in 1989 along line #4. Neptune is clear and at line #5. The Uranus line near it is present but not quite so clear. At #6 we see a selloff along the Mercury line. At line #7 we see Mars + 180 degrees setting the top.

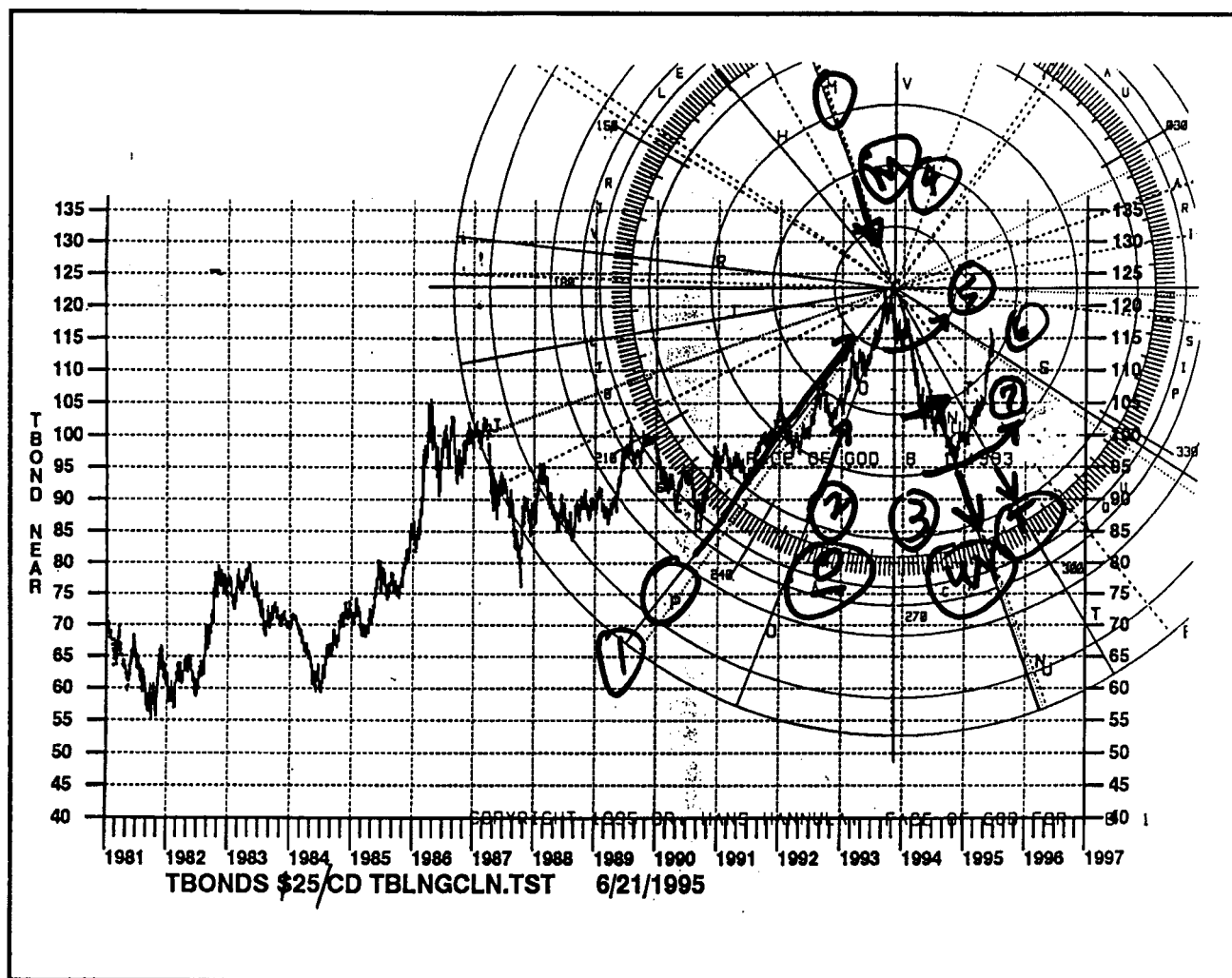


FIGURE 8-11.

So here is a current FOG pattern fitting past price motion. That simply confirms that price motion, past, present and future, is a side effect of the harmony of the energy field. It must be harmonious with past, present and future.

The portrait in Figure 8-11 shows a FOG centered on the high in 1993. The final stages of the rally found resistance along the Pluto line at #1 and support along the Node line at #2. Then a hard selloff occurred down the line of Uranus-Neptune, line #3. It was triggered by Mercury, line #4, and the Moon, which had just passed the same line.

This initial selloff hesitated at the arc #5, again at arc #6, and bottomed on arc #7. Once again, here is an example of the fast movers, Mercury and Moon, triggering a selloff along Uranus-Neptune as Mercury "went over the top".

Moving right along then, let's look a little closer at current action in bonds.

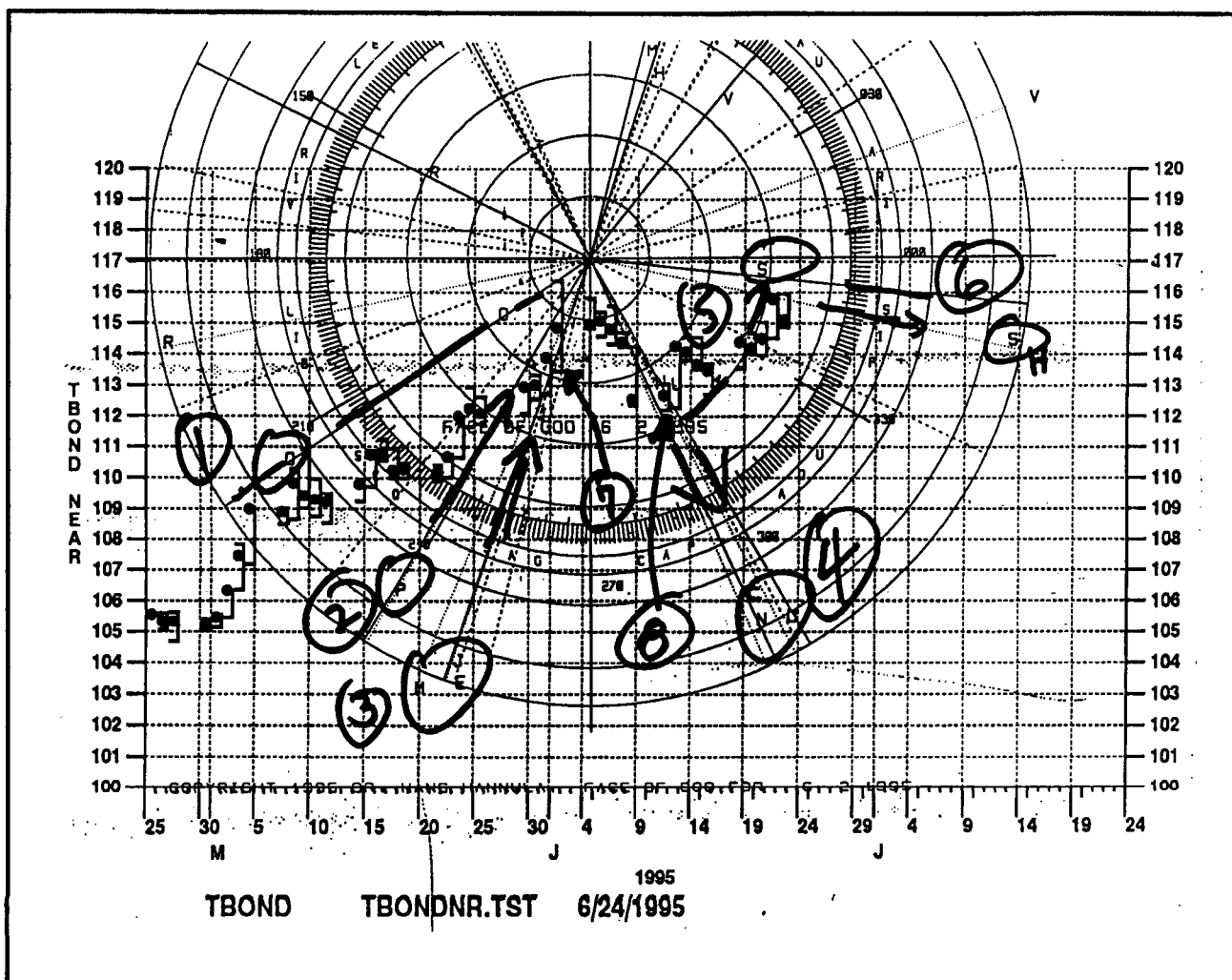


FIGURE 8-12.

Figure 8-12 shows the May 1995 rally in US Treasury Bonds forming a wedge with the top, held in place by the Node line #1.

Tbonds initially rallied up Pluto line #2, and then late in the rally moved up fast along line #3 as Mercury and the Earth came around and lined up with Jupiter. Following that convergence of energy, the market then fell off along line #4, Neptune and Uranus and picked up the arc, #5. Prices has rallied up near the Saturn lines at #6.

The tipoff that we were very close to a FOG center, if one had not picked it up before, was the large range on the 2nd of June, at point #7. At that point it was possible to line up the Nodes along the highs and line up Mercury, Jupiter and Earth along the most recent lows and find the center of the pattern. This permitted anticipating the selloff along Neptune and Uranus. That selloff took only 5 days but was good for nearly 3 points, \$3000.

At point #8 prices were leaving the Neptune-Uranus line indicating that had one been short, it was time to cover. The next day's two point rally confirmed this.

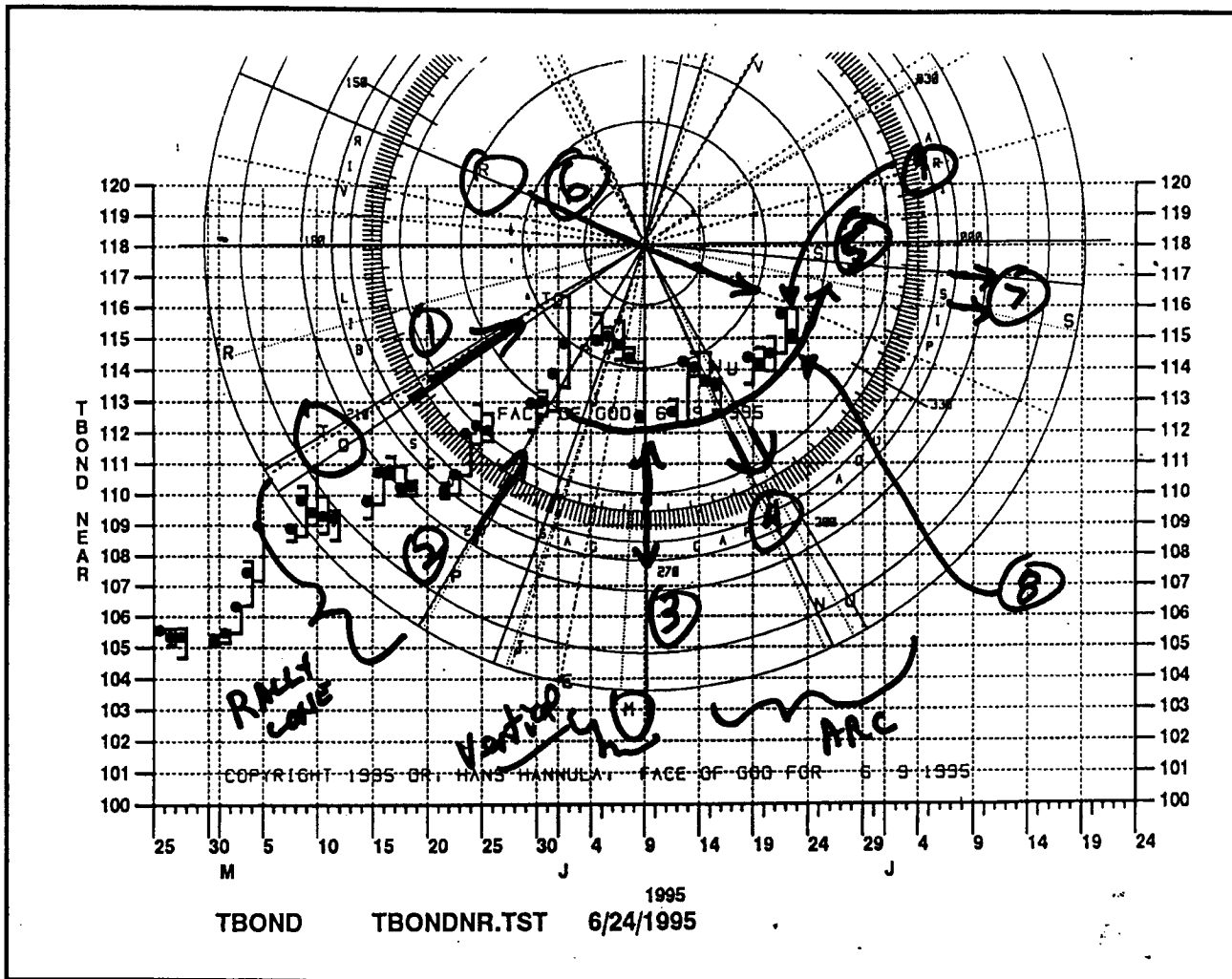


FIGURE 8-13.

Now let's adjust our FOG to the portrait shown in Figure 8-13. Here we see the rally cone formed by lines #1 and #2, with #1 being the Moon and the Node, #2 being Pluto. That was followed by a vertical drop along line #3, then movement along the arc #5.

This pattern of rally cone, vertical drop and arc, and the inverse of a declining cone, a vertical rise, and arc, are very common turning patterns.

Notice that the energy turning this one was triggered by Mercury helio going under the bottom, #3. The movement along the arc had a short sell off along lines #4, Neptune and Uranus, continued up to line #6 Mars geo. Further resistance lies overhead at line #7, Saturn both geo and helio. Notice the last day's price pattern shows a lower close, indicating the validity of line #6, and with the arc coming up underneath, we have a very low risk for a possible short trade, putting a sell stop at point #8 and a protective stop at point #9, just above the Mars line #6.

It is this ability to find the low risk points for entering a trade that makes the Face of God pattern so useful. The lines shown on the pattern are real, genuine, physical energy field lines. The Face of God pattern continually serves as an information system about how prices are reacting to the ever changing energy field.

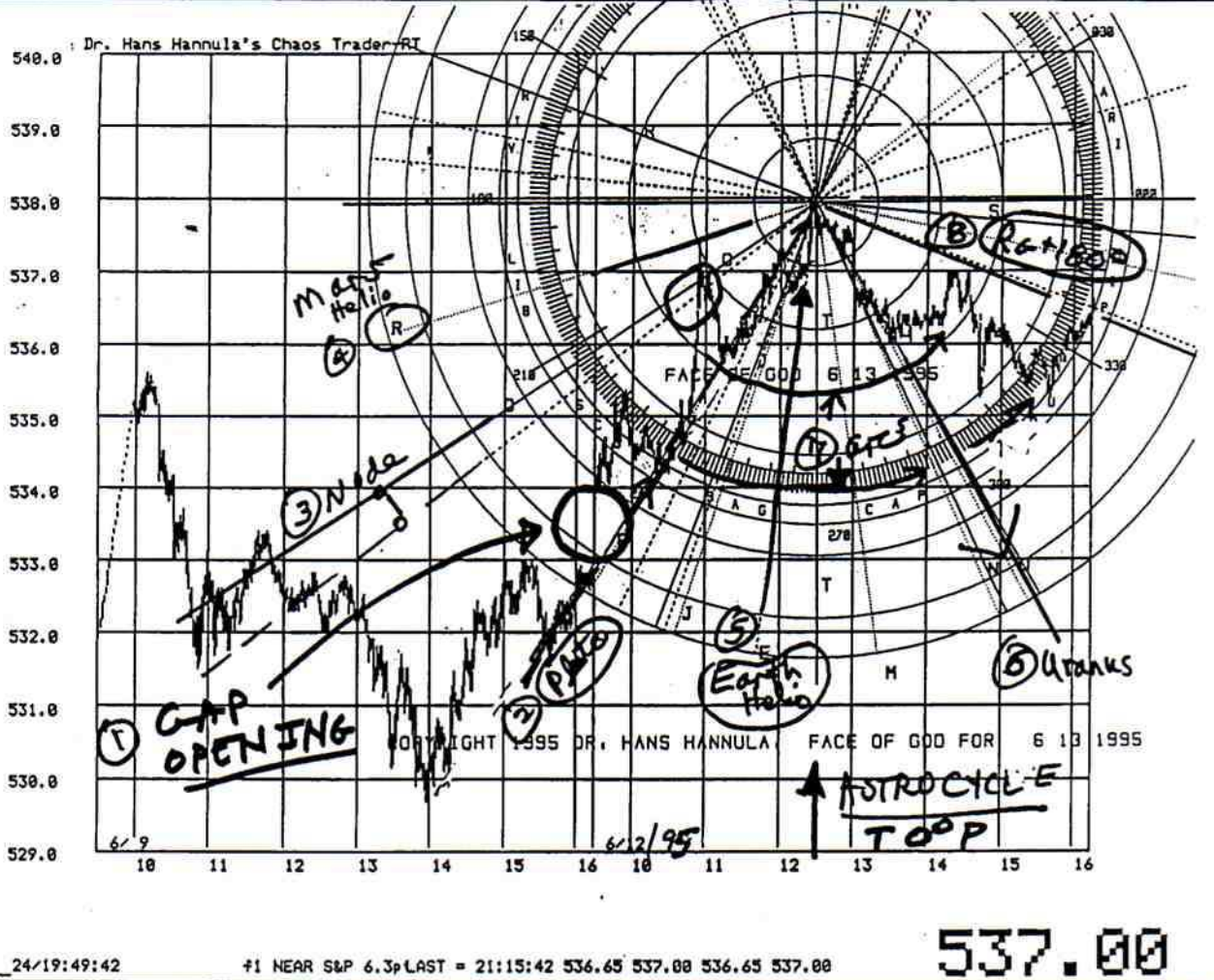
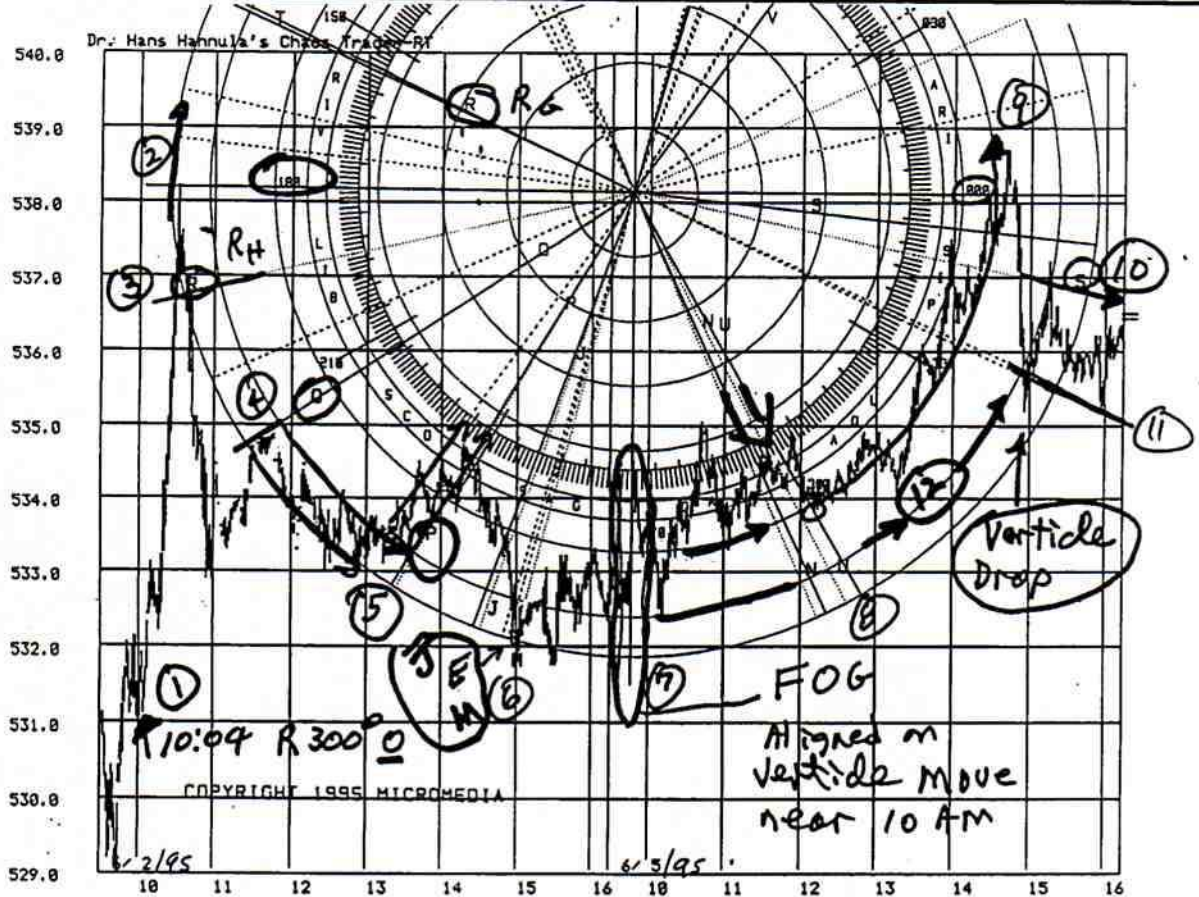


FIGURE 8-14.

That concludes our tour of the Tbond room of God's Art Gallery. We will now proceed to the S&P 500 room. The first portrait is shown in Figure 8-14. This is two day's charts showing Friday, June 9, 1995, and Monday, June 12, 1995. On Friday prices had closed only

The final move of the day was along the lower arc pointed out by #7. This is a case where prices made it exactly to the center of the FOG pattern and did not break vertical. Instead they went down the Uranus line from the center. Had one taken that trade as a short trade upon seeing travel along the Uranus line, the Mars geo + 180 degree line would have been a reasonable line to use as a stop line.

Moving on to Figure 8-15 we see a half circle (180 degree) pattern developed in two days. On June 2, 1995, the S&P staged one of its incredible moves, selling off first two points and then rallying over 9 points. That rally was sparked at point #1 by Mars being 300 degrees to the Node at 10:04. That shot prices nearly vertical as if they were trying to catch up with the arc along line #2. Instead they stopped at what turned out later to be the center of the Face of God pattern at 530 and then they



21/16:14:10

#1 NEAR S&P 6.3p LAST = 21:14:10 536.30 536.50 536.30 536.50

536.50

FIGURE 8-15.

actually hitting the Node line and finally stopping at the line shown at #4, which is Mars helio.

The final thrust up into the center of the FOG pattern came along the Earth helio line. At point #5 the selloff came along the Uranus line at #6. Prices moved up along the arc at line #7 until hitting the downcoming line #8, which was Mars helio + 180 degrees.

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hesitated briefly at line #3, which was Mars helio. After selling off, they rallied up to the Node line at #4, followed along the arc at #5 until they came to Pluto. Here they rallied some more. They then fell off that line very sharply until they found Earth, Jupiter and Mercury at 1500 Eastern.

Monday the 5th of June, prices made a vertical move, again right near 10:00 AM. Aligning a Face of God pattern on this vertical line revealed how the pattern matched Friday's prices and indicated the possibility that prices would move up during the day. Indeed, prices did start to move up, but not very aggressively, until they passed the downward resistance from Neptune and Uranus along lines #8. From that point on prices climbed easily along the arc, accelerating as they did so. Momentum carried prices slightly above the center of the pattern at point #9.

At that point prices could no longer follow the arc because it was now going backwards. This is something that I call a "spinoff." When prices spun off of the arc, they fell very sharply until caught by the arc, #12, which was coming off the low just after 10:00 o'clock. That arc moved prices up briefly until they hit line #10 at Saturn. Prices then sold off to line #11, Mars geo + 180 degrees and closed for the day.

Be alert for these half circle patterns. Notice that the fast move at the beginning of the 1st day brought us up and told us the level of the center of the pattern. That, with a rapid decline and a little pattern matching, told us where the FOG center was most likely located. That enabled us to use it for the next day's trading. Even though the next day was congested for the morning, when prices began to move in the afternoon it was clear that they were arcing up along the arc at #9. It is also clear that once they passed the high of the previous day that they either had to keep going or they were vulnerable to spinning off and free falling downward. Of course, a FOG pattern placed on the high of the last rally would also have shown the supporting line coming up into that final high. That would have aided in trading the decline.

This portrait gives you a clear idea of another of the behaviors as prices follow the Face of God energy field vibrations.

THE FACE OF GOD PATTERN

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17:00 UT

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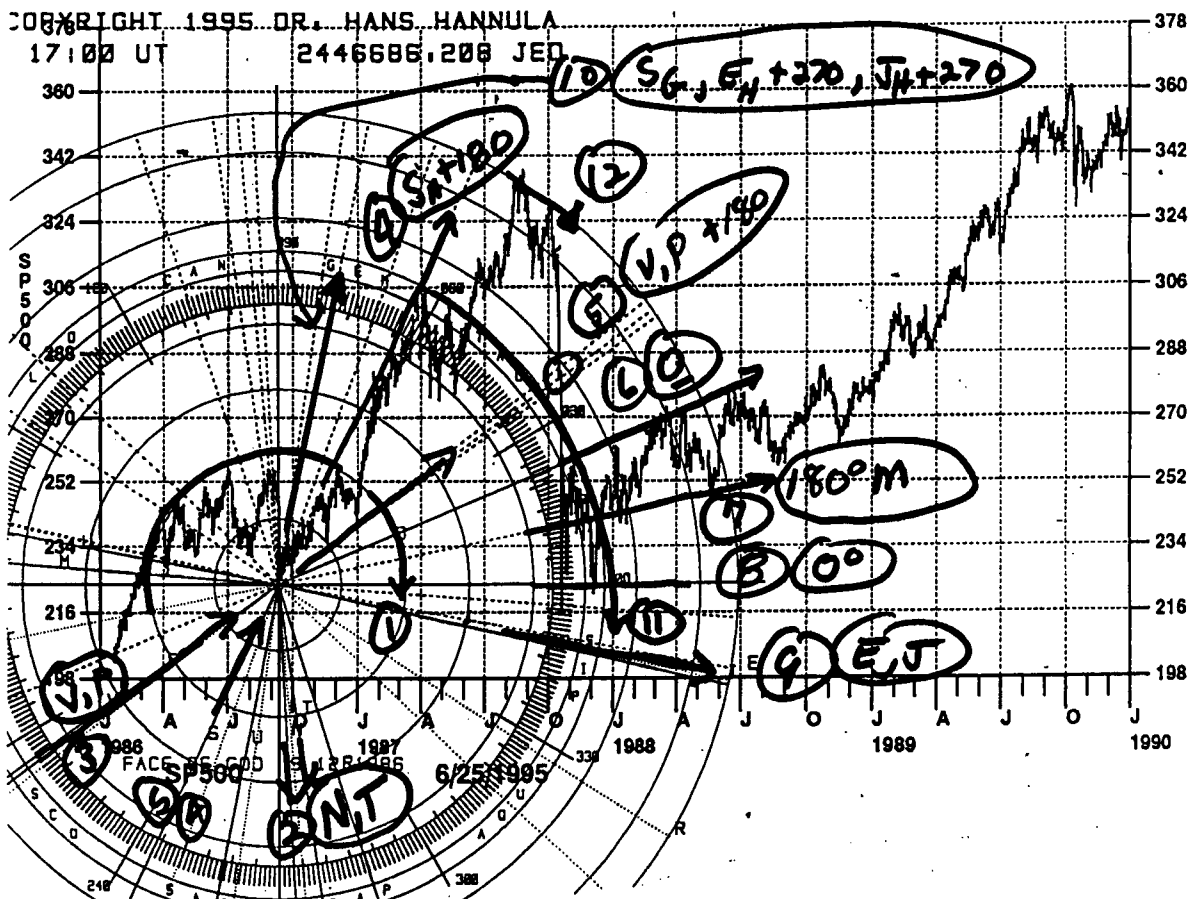


FIGURE 8-16.

These next 4 paintings are about the life of the S&P during a very interesting period. The period is that ancient age of 1986 to 1989. 1986 was quite a frustrating time for S&P traders because prices had become entrapped inside the semicircle shown by #1 in Figure 8-16. They vibrated up and down but went practically nowhere. Late in the year prices reached the center of the Face of God pattern. At that point, as shown by line #2, Neptune was hit by the Moon, sending prices down sharply. Just after Earth lined up with Jupiter, shown at line #9, Venus lined up with Pluto at line #3. Prices then took off to the north along line #4, Saturn helio + 180 degrees. The early rally at #10 was along Saturn geo. This was square or 270 degrees to the Earth-Jupiter conjunction. Prices rallied up along that line until they finally hit the arc at #12.

Later parts of that pattern could be identified with this FOG center, and hesitation of the hard selloff in 1987 came at point #5. Line #6, the Node, formed resistance while line #7, which was Mercury + 180 degrees, formed support. The 1987 crash stopped approximately at line #8, which was the zero degree point of the Face of God pattern, back in 1986. So that was the energy burst that launched the great rally of '86 and '87.

THE FACE OF GOD PATTERN

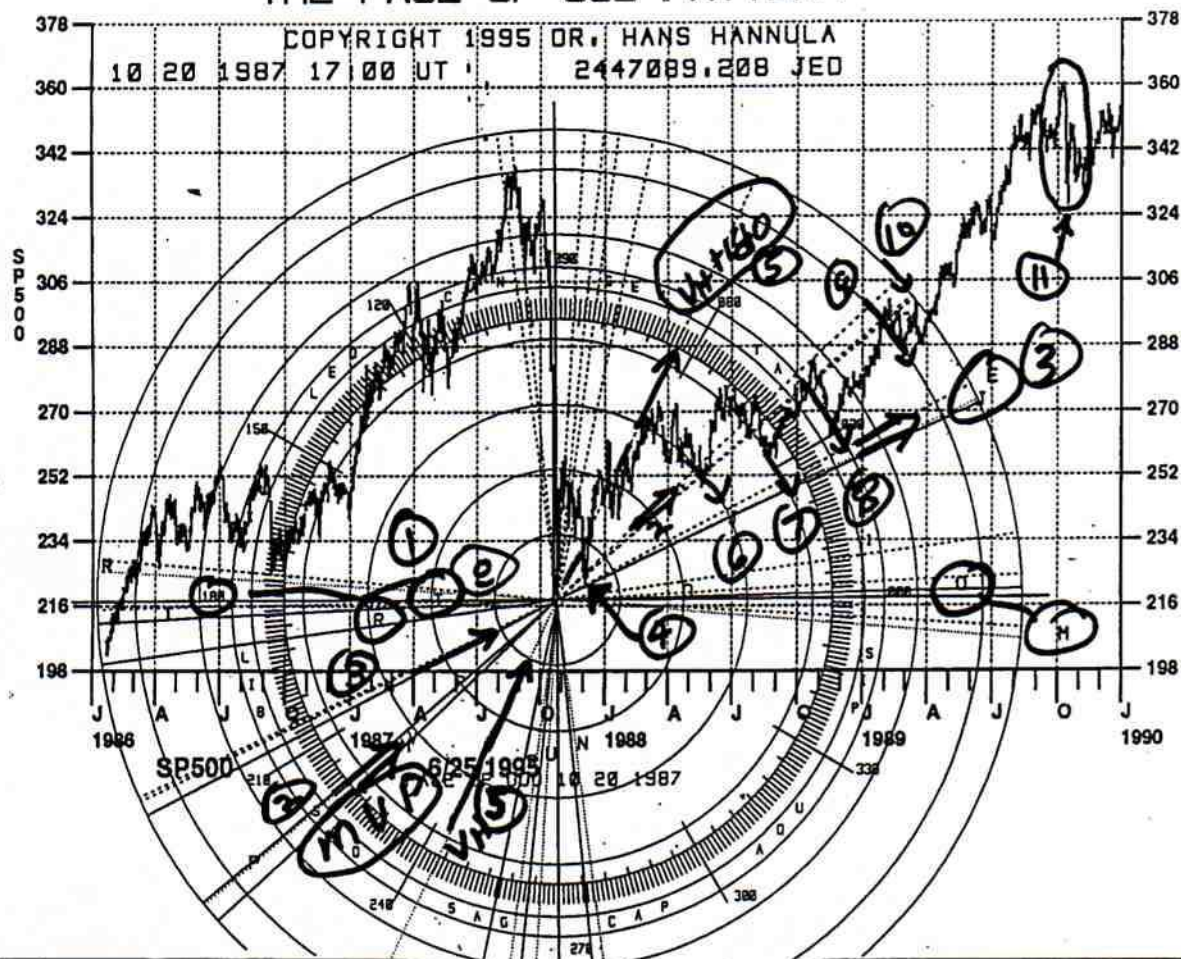


FIGURE 8-18.

While the crash of '87 occurred on the 19th of October, final lows were made by many indexes on the 20th. Figure 8-18 shows a FOG centered on the lows on the 20th. Point #1 shows something extremely crucial. Mars, the Node and the Moon were all on a zero-180 degree line and Mercury helio was very close to it. This concentration of energy along the horizontal also forces the concentration of energy along the vertical lines. Line #2, Mercury, Venus and Pluto, were forming an energy beam pointing up the the right. At line #3 we had Earth lining up with big, powerful Jupiter, also pointing up and to the right, to the Northeast.

Indeed, as shown by the bottom at #4, it was the Earth-Jupiter energy that stopped the first decline after the crash. From that correction prices rallied up along line #5, Venus helio, and then preceeded roughly along line #2, with arcs obvious at lines #6, #7, #8, #9 and even as far out as #10. So, while many people believe that the Federal Reserve Bank stopped the crash by freeing up \$10 billion dollars worth of credit to the squeezed brokerage houses, it is obvious they were prompted to do so by Jupiter and Earth, the outburst of energy that occurred at this second harmonic convergence of October 20th.

Before leaving this portrait, notice the strange behavior of prices in the area of #11. The final portrait in this set of 4 will explain that.

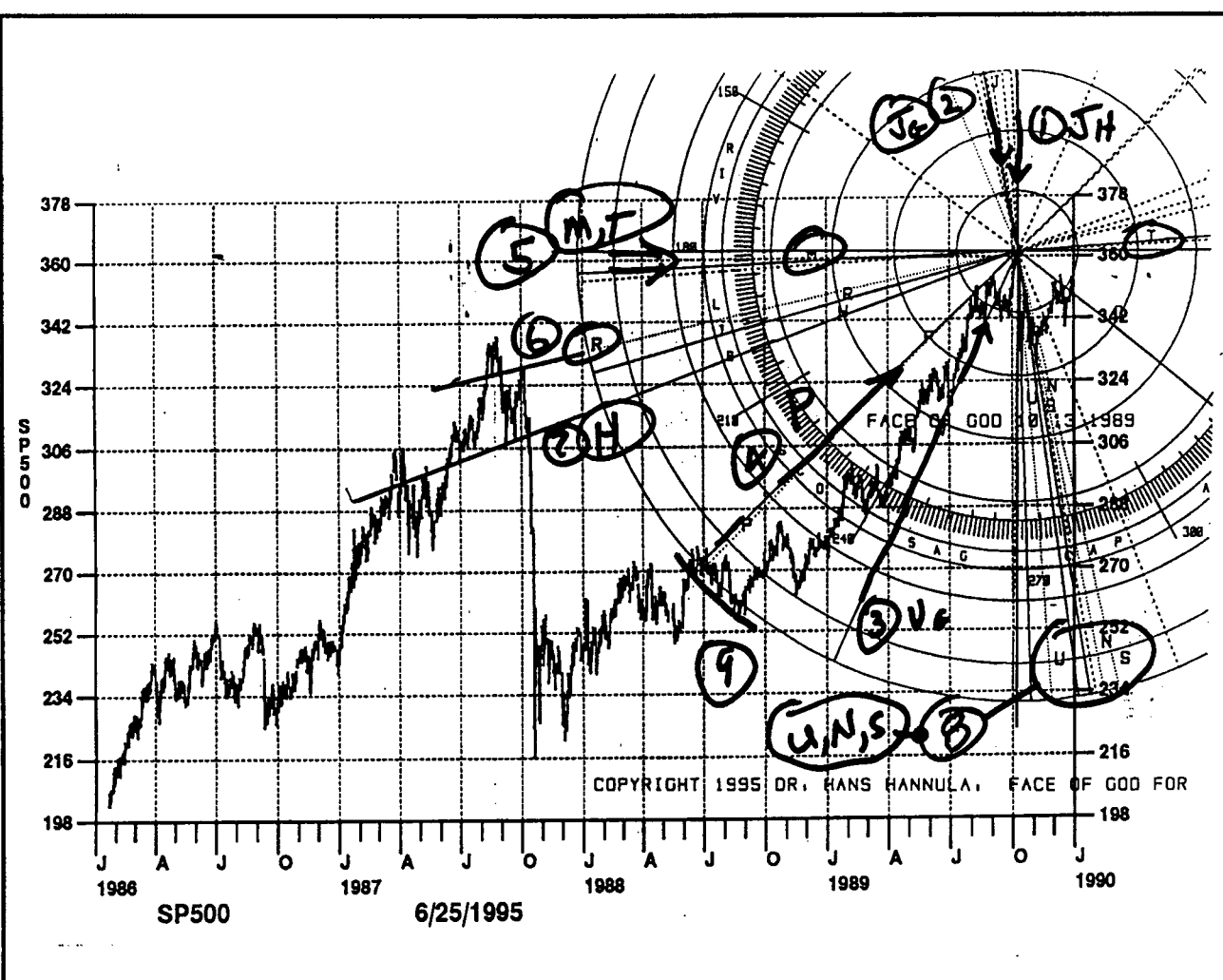


FIGURE 8-19.

On October 13, 1989, the Dow made a sudden drop of 190 points. The cause of that drop was Jupiter helio going over the top as indicated at point #1 in Figure 8-19. Geocentrally Jupiter was already over the top, indicated by point #2. Prices had rallied up along the rally cone between Venus geo and Pluto, #3 and #4. Mercury and the Moon, being on the horizontal axis, at point #5, added an outburst of trigger energy, causing prices to sell off sharply, bounce and then sell off again along line #8, which was Uranus, Neptune and Saturn all conjunct. Congruency was shown by points #6 and #7 as the Mars line and the Sun line reached back to the highs in 1987, perfectly trapping the late September rally.

Again, the message here is clear. Watch any planets going over the top, and especially if they are energized by the fast movers along either the horizontal or the vertical axis.

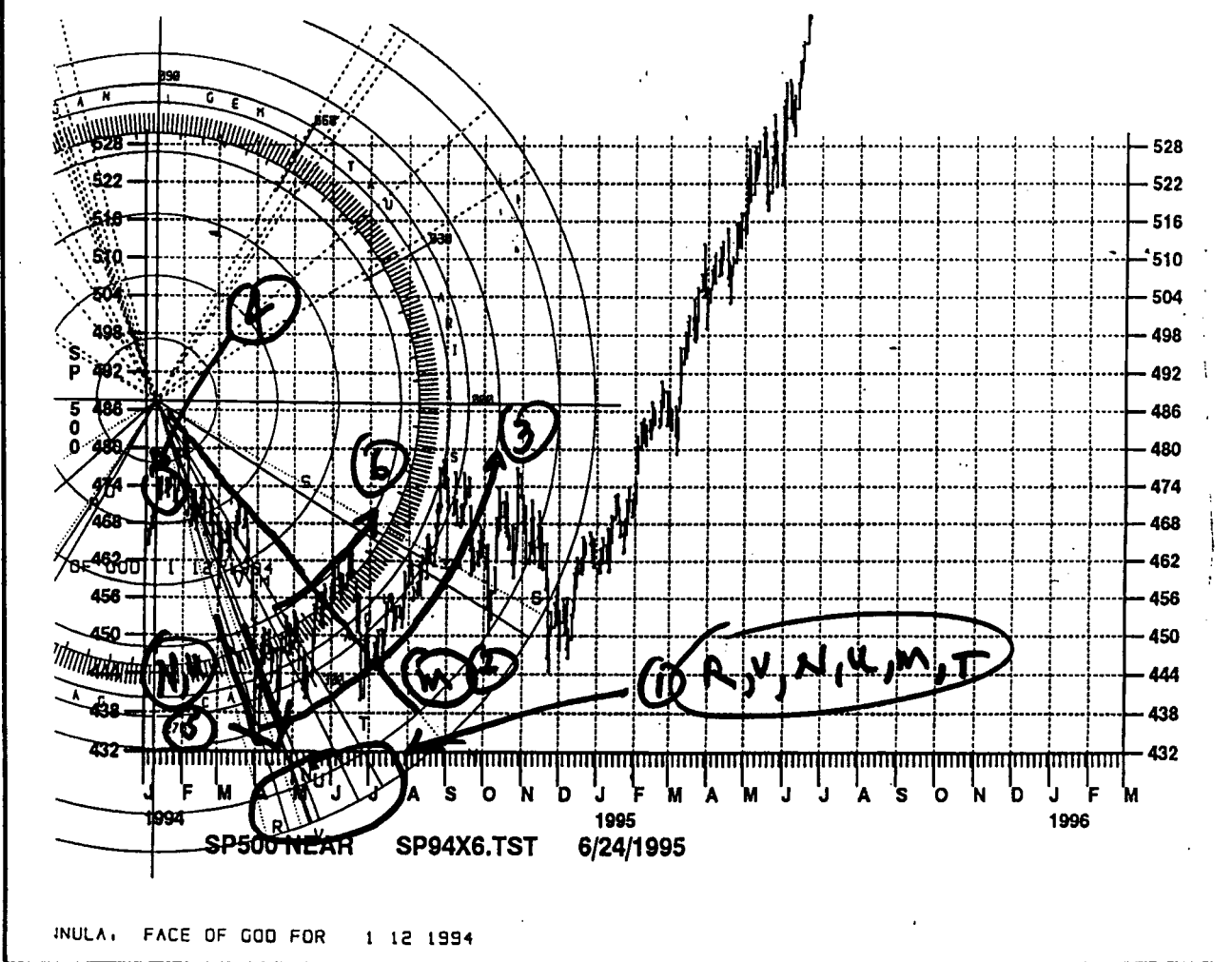


FIGURE 8-20.

The next set of 4 paintings show the setup and the execution of the S&P Energizer Bunny market of 1995. Refer to portrait 8-20. Early in 1994 financial astrologers were focused on another Harmonic Convergence, as shown by point #1. Mars, Venus, Neptune, Uranus, Mercury, and later the Moon, were all converging helio. This was obviously to be a point of high energy. However, nothing seemed to happen. After the passage of that date, prices were relatively flat, as indicated in the region at point #4. This was a balance point.

Prices later rallied and hit line #2, which was formed by Mercury helio, which had passed the others in the convergence operation. Prices sold off along the Neptune-Uranus line, indicated by point #5, and then later climbed along a series of arcs, shown at #3 and #6. So that Harmonic Convergence was powerful, if not immediately. It set the stage for a choppy 1994.

FACE OF GOD PATTERN

YR 1995 DR. HANS HANNULA
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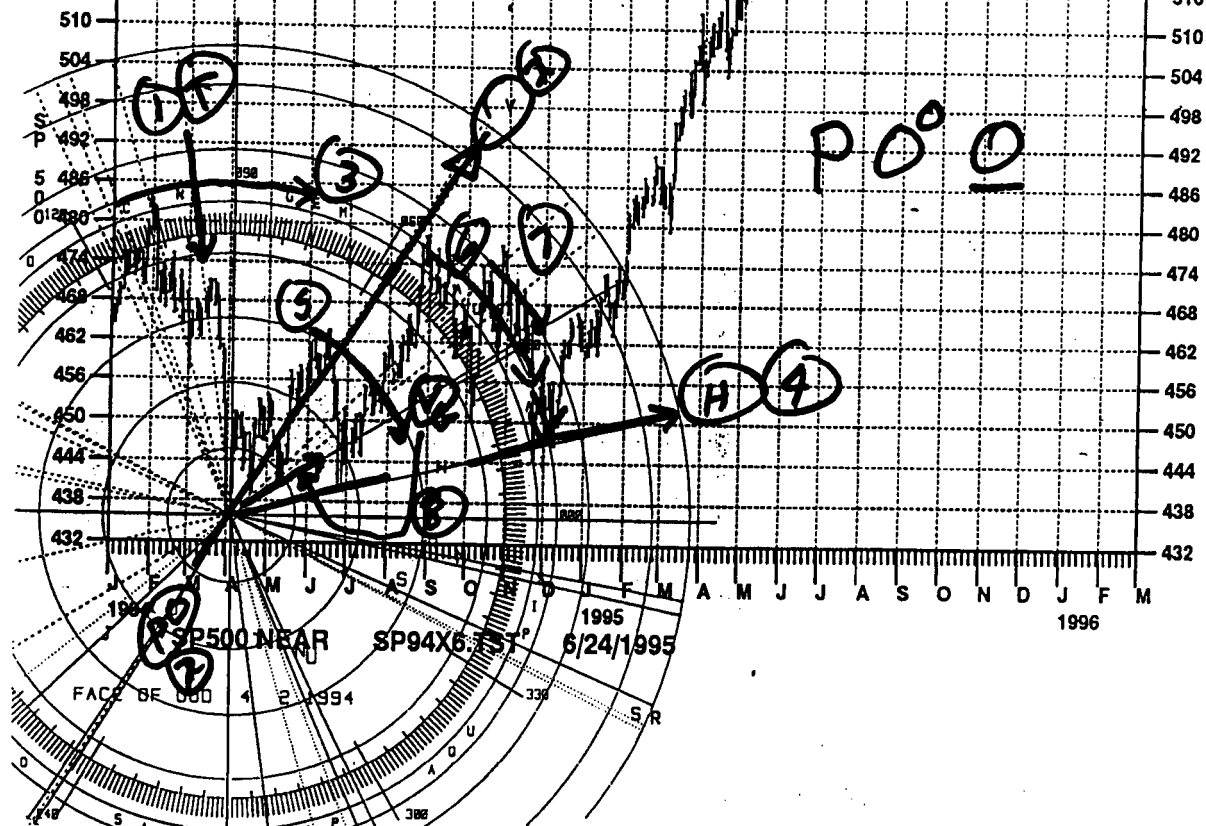


FIGURE 8-21.

Of course, once prices departed the area of the Harmonic Convergence, they had to be headed for another stranger attractor. This strange attractor was Pluto going conjunct the Moon's Node, as indicated in Figure 8-21. After prices dropped sharply along line #1, which was the Moon, they were stopped abruptly and began to rally along line #2, which was Pluto conjunct the Node, energized by the planet Venus. From there prices began blasting away from the epicenter again, showing the combination of radial and arc movements. Note the arcs at #5, #6, and #7. Early lows were supported by Venus geo, indicated by #8. The later lows were supported by the Sun, H, indicated by line #4. While very choppy, the force of this blast was up to the Northeast.

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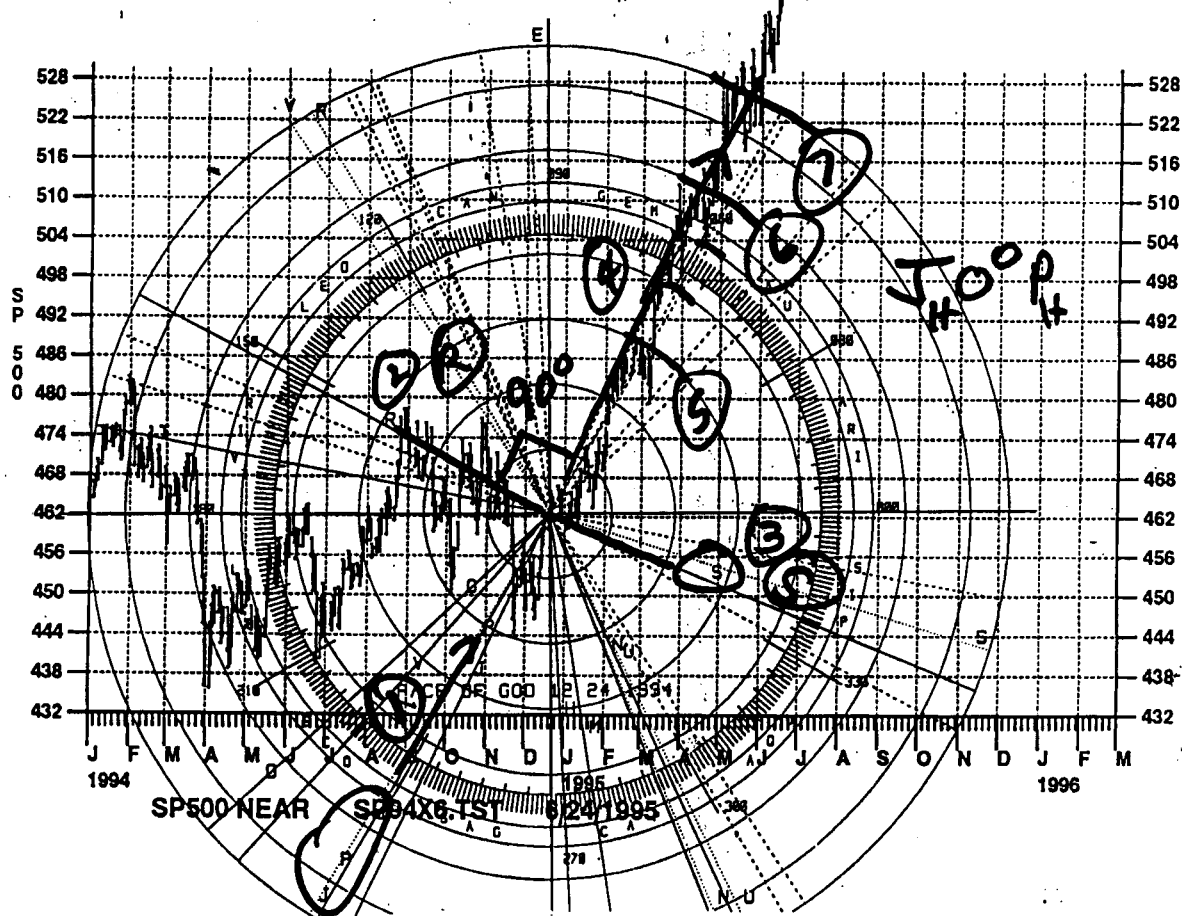


FIGURE 8-23.

Well, if you have been following the progress of the planets, we had Pluto pass the Node, then Jupiter pass the Node. What is the next major event that is going to happen? Can you guess? You in the back there. That's right. Jupiter zero degrees to Pluto.

Astrologers often use word associations or key words to help them interpret planetary patterns. One of the key words associated with Jupiter is power. In financial markets Jupiter is associated with a bullish market. Pluto is associated with the word explosion. Portrait 8-23 shows that this was clearly a "powerful bullish explosion." Line #1 shows the Jupiter-Pluto line. Ninety degrees to that line is the line formed by Mars and Saturn, which had been holding prices down. At the moment of Jupiter going conjunct Pluto, the energy balance was tipped and the energy that had been built up during 1994 was suddenly released along the line formed by Jupiter and Pluto, which I have labeled not only as #1, but also as #4. As prices left that FOG center they paused briefly at arcs #5, #6 and #7.

So there is the astrophysical force of the Energizer Bunny market of 1995. Of course, everyone wants to know when it will end. You in the back, can you tell me? Reader, can you tell me? What will be the next event to watch for? Well, if Jupiter hit the Node and then hit Pluto, it is on its way to going under the bottom. The Bunny could die there. I'll leave it as homework for you students to find out when that is.

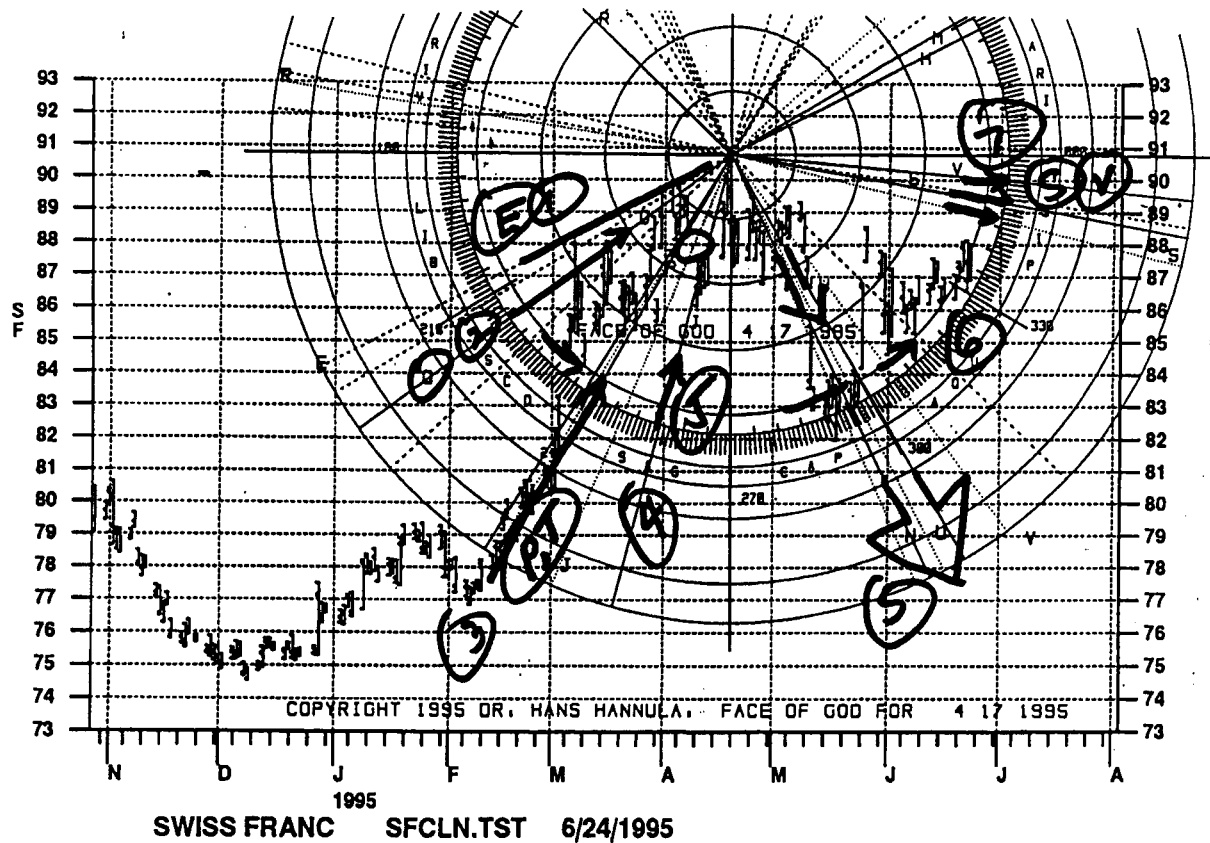


FIGURE 8-24.

The final room in the portrait gallery is the Swiss Franc room. The three portraits in this room show recent action in this currency and the use of FOG to "Cash In On Chaos". Look at Figure 8-24. In early 1995, the Swiss Franc had rallied sharply but in March and April had formed a rising cone between #1, the Earth line, and #3, Pluto and the Moon. Suddenly, prices dropped sharply down and then rallied up the Jupiter line, shown at #4, reaching a new high. This set the stage for later action of a selloff along #5. Prices moved up along an arc at #6, with possible future resistance along the lines at #7.

It was possible to align this FOG just using the left side of the pattern on April 17, 1995, without yet knowing that the right side of the pattern would develop as it did. As I was continuing to do this I also noticed that the birthday of the currencies occurred May 16th. Birthdays have natal hit peaks. So as prices congesting narrowly in early May, I was anticipating the possibility of a rapid move to celebrate the currency birthday. The 5th, 6th and 7th of May I saw that prices had developed a narrow range. We had a triangle formed between line #1, the Node, and horizontal line #2, Mars helio, with some minor tops along line #3, Mars geo. The Moon at #4, having gone over the top, was coming around to line up with Neptune and Uranus at #7.

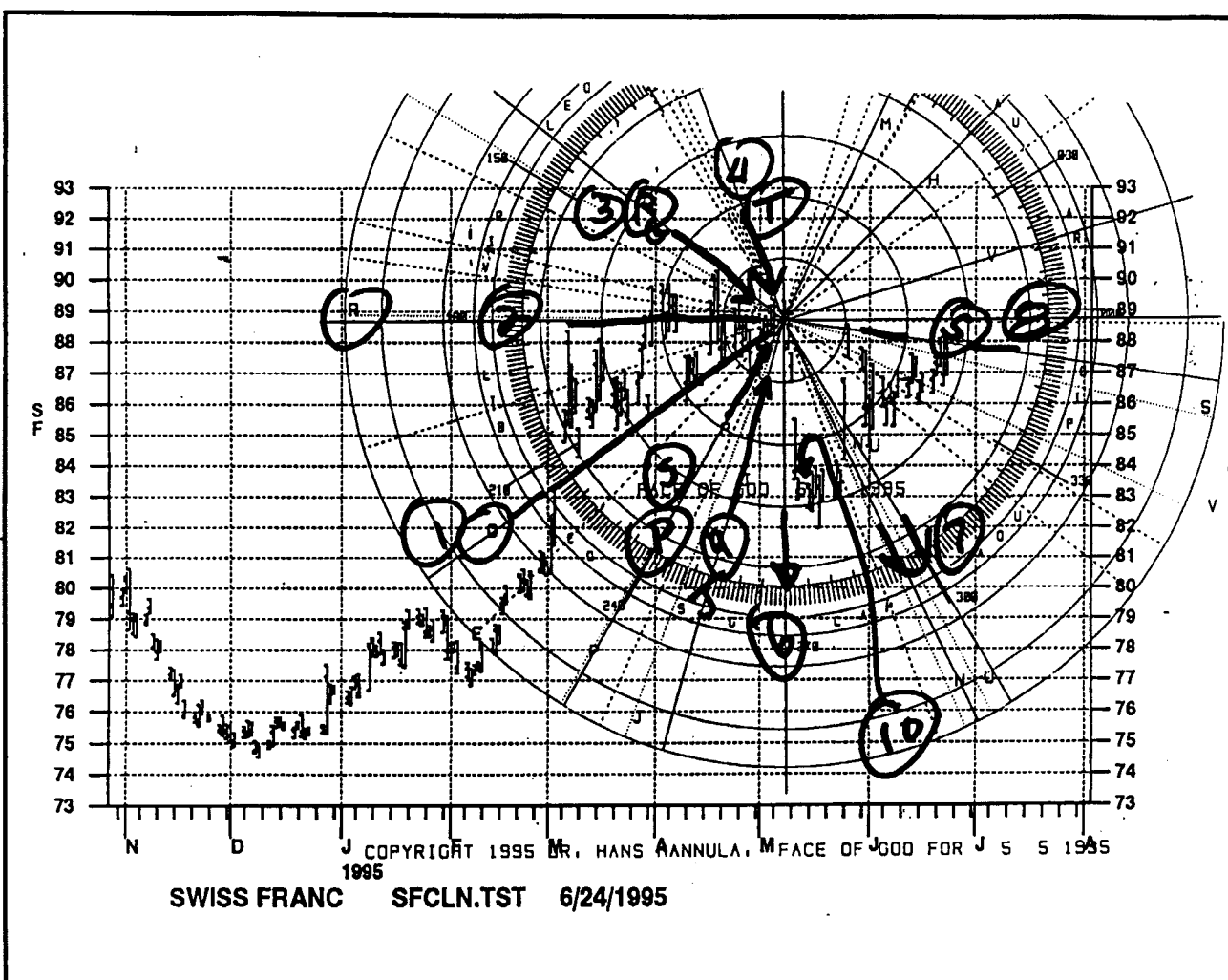


FIGURE 8-25.

On my hotline, I suggested a sell stop at 8820, which was below the final Jupiter line of the FOG pattern. That line is shown at #9. I did this knowing that if this stop were hit, a low risk entry would be made. We were filled the very next day and in three days prices had dropped sharply.

Each day we moved our exit buy stop to just above the previous day's high. We were stopped out of our position when prices rallied modestly on the 14th, taking out the prior day's high. That is shown at point #10 in Figure 8-25. That move was worth \$5400 per contract.

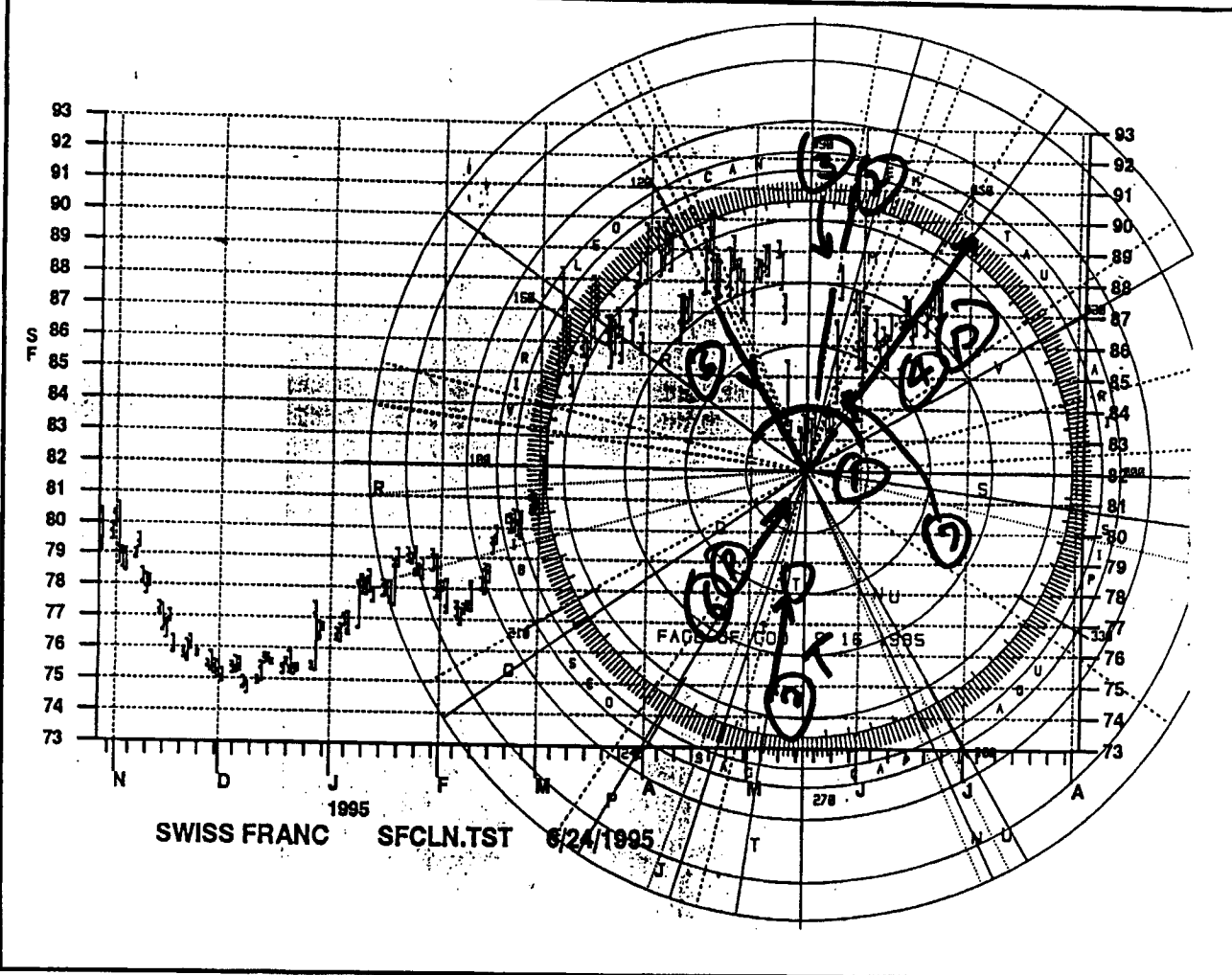


FIGURE 8-26.

Further developments are shown in Figure 8-26. After the sharp drop, prices started congesting, making very little progress over the next few days. At that time placing a FOG as shown in Figure 8-26, made it obvious that prices were contained within the inner circle. This Face of God pattern which centered on the birthday of the first day of trading of the Swiss Franc.

Noticing then that the Moon was about to come under the bottom, I suggested a buy order on the Swiss Franc at 8440. I selected a buy order because the bottoms were forming along the outcoming Pluto line, #6. We were elected long at point #7, and on the second up day had touched the Moon line at point #3. This suggested very aggressive stop movement, so we placed our exit stop just below the low of the second day of fast rally. We were stopped for a nice \$3750 profit at 8740.

Since then prices have conjected sideways and begun moving up along the Pluto line, as shown near area #4. So these paintings of the Swiss Franc illustrate how even the gnomes of Switzerland, watching their gold pots, follow the music, the vibrations, the tune coming from the heavens. Even those calm, steadyhanded Swiss bankers are driven by the same energy field as all markets, all people, all animals, all matter.

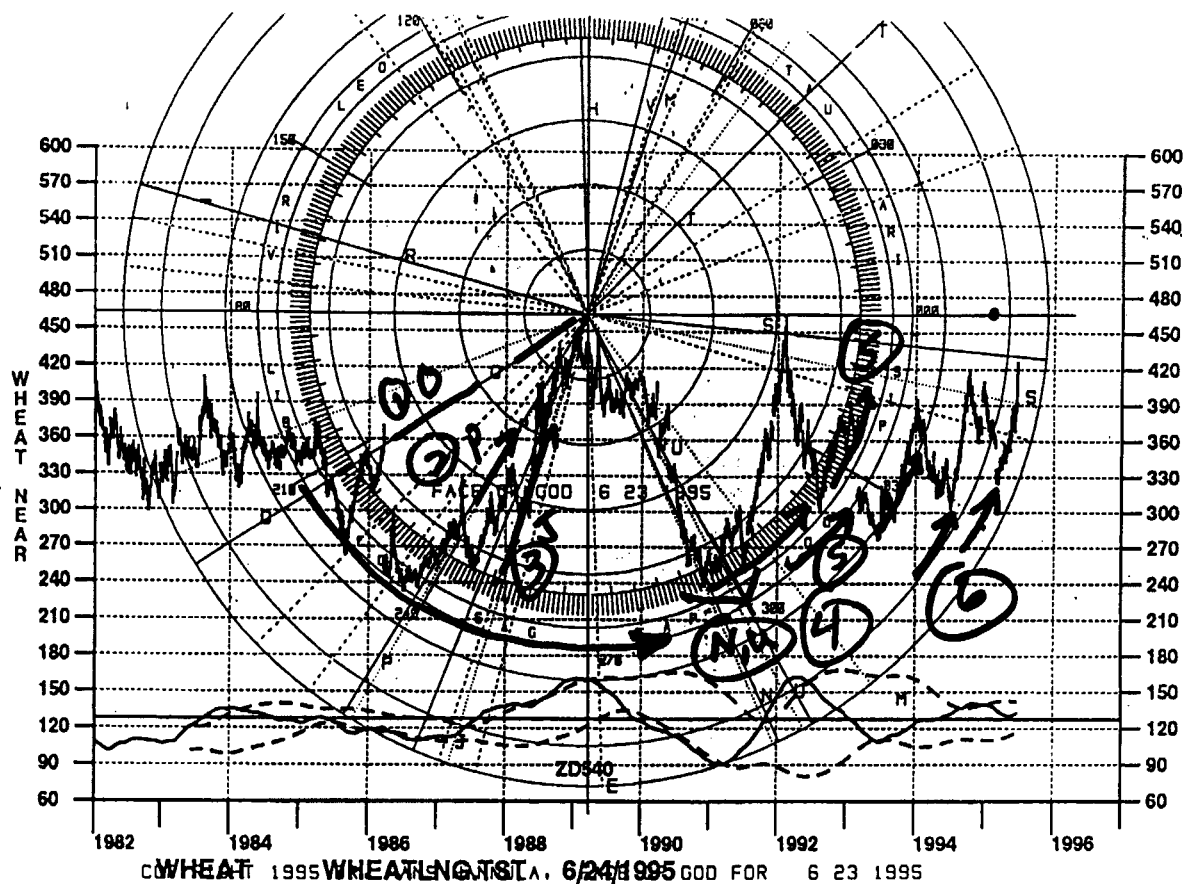


FIGURE 8-27.

Well, group, no visit to the art gallery would be complete without a stop at the snack bar. Today's snack bar special is wheat. If you will look at the menu shown in Figure 8-27, you will see a longer term view of wheat and how it enjoyed a major input of energy in 1989. It formed a rally cone using the Node, #1, Pluto, #2, and Jupiter, #3. After taking in this energy, it sold off along the Neptune-Uranus energy beam, line #4, and then began to pick up arcs as shown in #5 and #6. A sharp rally in late 1991, ending early in 1992, came up and touched the zero line of this FOG.

The most recent move in wheat has been up along an arc. This is all indicating that after absorbing that energy, wheat is trying to do a spinoff to the upside.

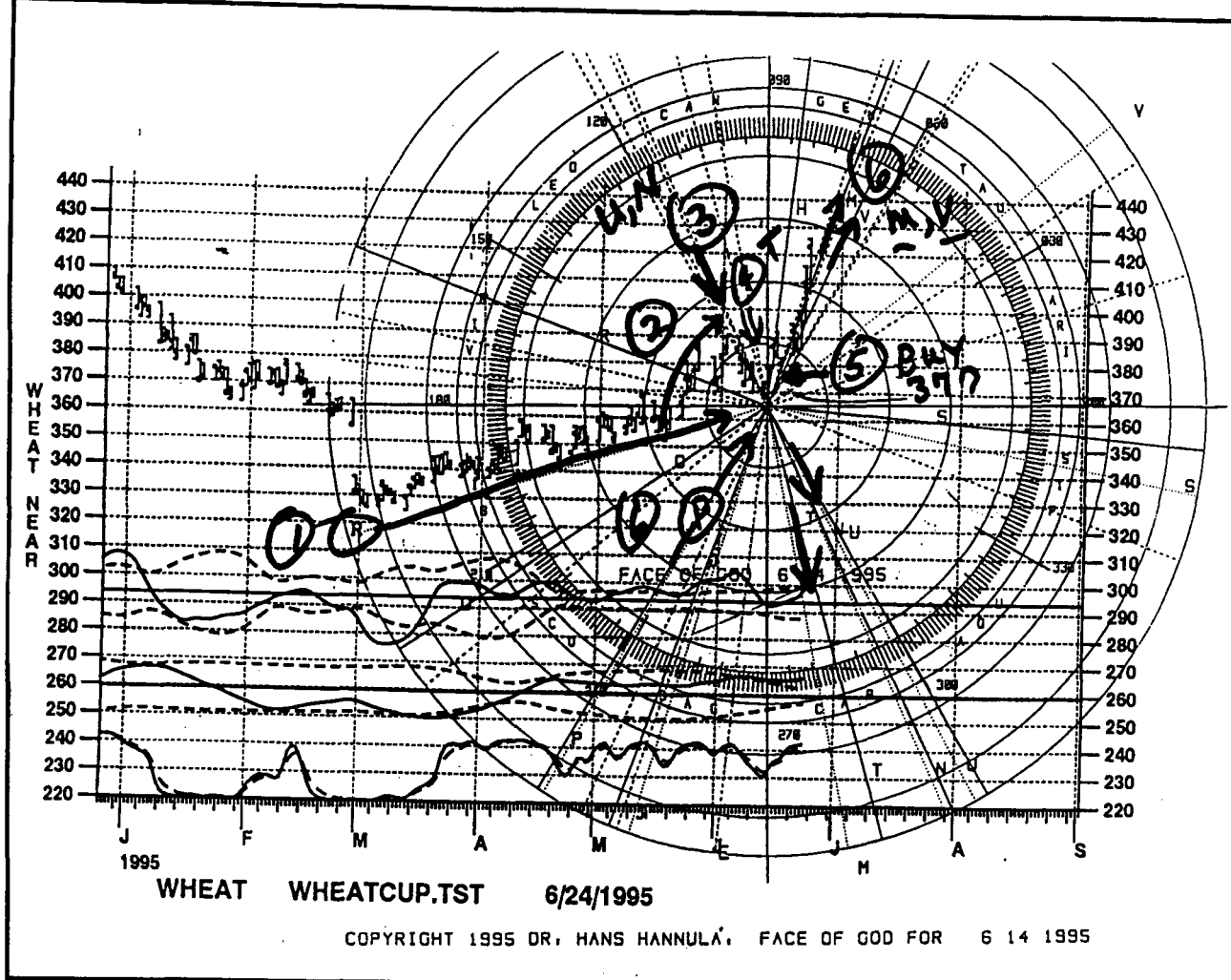


FIGURE 8-28.

Early 1994 showed wheat gradually climbing along a Mars line, shown at #1 of Figure 8-28. The gradual rally suddenly sprung to life in late May and moved up an arc, shown in #2. Then a selloff occurred down the Uranus-Neptune line at #3, aided by the Moon at #4.

Recognizing this as a selloff along the Uranus-Neptune line, along with recognizing the earlier arc, I realized that we were near a FOG center. I suggested a buy stop at \$3.77, indicated at #5. Risk was only 10 cents. Gain of a possible vertical move could be captured if prices rallied along line #6, the Pluto line.

The very next day we were elected long, and prices began climbing the Pluto line, aided by Mercury and Venus geo. We were quickly able to move our stops to above break even and enjoy a risk free trade. Looking ahead, it appears that this move could carry up to \$4.40, possibly \$4.50. Our tactics for capturing as much profit as possible on a fast rally is to put our exit stop just below the low of the last day. If stopped, put a rebuy entry stop above the high of the move.

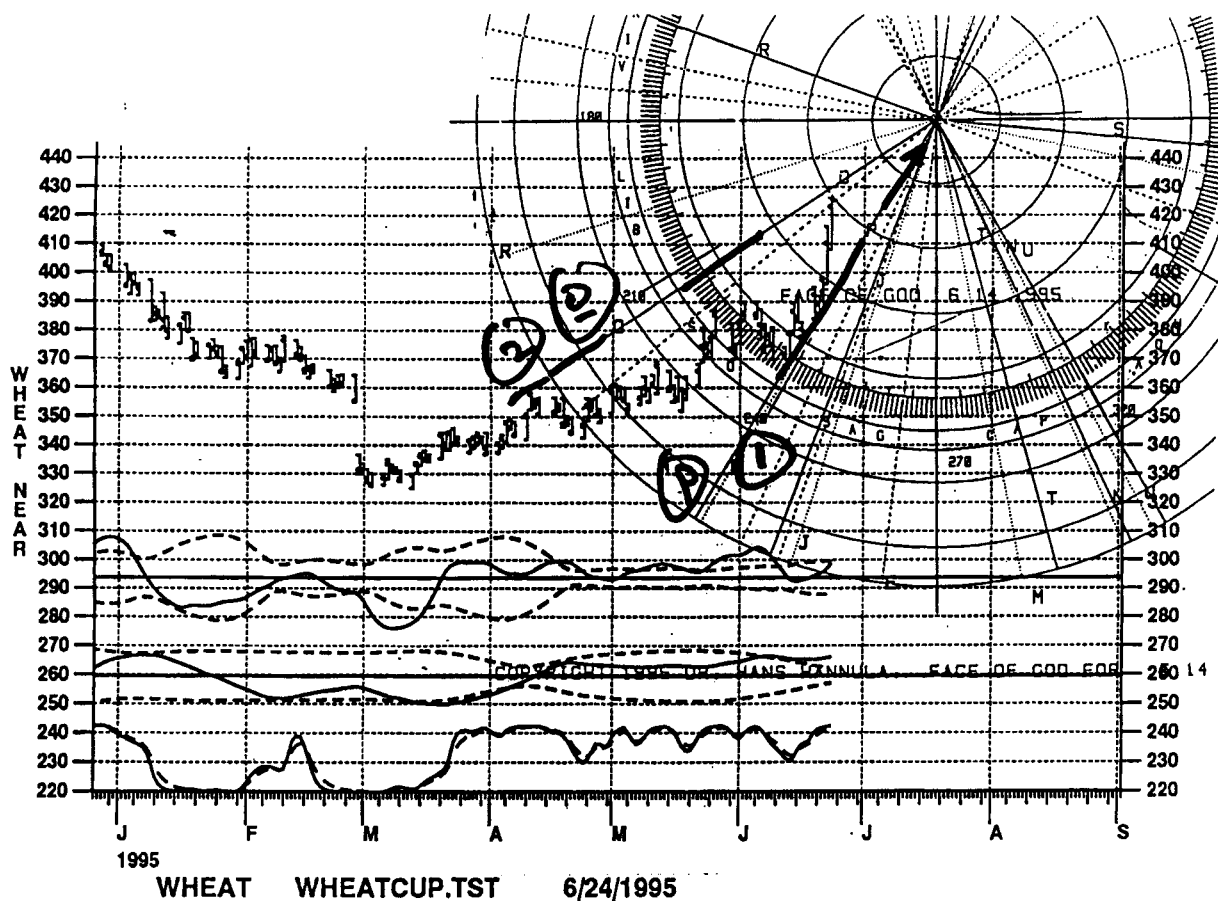


FIGURE 8-29.

Figure 8-29 shows a Face of God pattern, centered in July. Pluto catches the early rallies at #1, and the Node fits along the tops as shown in #2. This FOG shows where wheat may be headed next.

So, tour group, there's your wheat sandwich, your cream of wheat, and your whole wheat bread. You have just seen the bountiful harvest brought about by the always present energy field, the Prime Mover of the universe.

*"Lord, give us this day our daily bread."
The Lord's Prayer*

Let us appreciate the works of art He creates. They are a thing of sheer beauty.

*"A thing of beauty is a joy forever."
Keats*

9. Conclusion

There it is. The Face Of God pattern; instructions on how to draw it; instructions on how to draw and scale your charts; instructions on how to use it to find low risk trades. You have it all.

I have given you many examples. I have given you instructions on how to use the information system provided by the Face Of God pattern to study markets and develop your own trading methodologies based upon it. I have shared this research with you because there is no possible way that I can study all the markets and find all the applications of this tool.

This tool is very new. Like the transistor, discovered by John Bardeen, it will find many applications. This tool makes a direct connection between planetary motion and the motion of markets. It very clearly shows that markets replicate in miniature the patterns of the planets.

This replication, I believe, is performed through the universal energy field. The energy field was created at the moment of creation of the universe, at the moment of the Big Bang.

I have illustrated that this pattern can be used in markets. I'd also like to suggest that it is a very universal pattern, since it is the vibrational pattern of the universal energy field. I have found the pattern in many other places other than in markets.

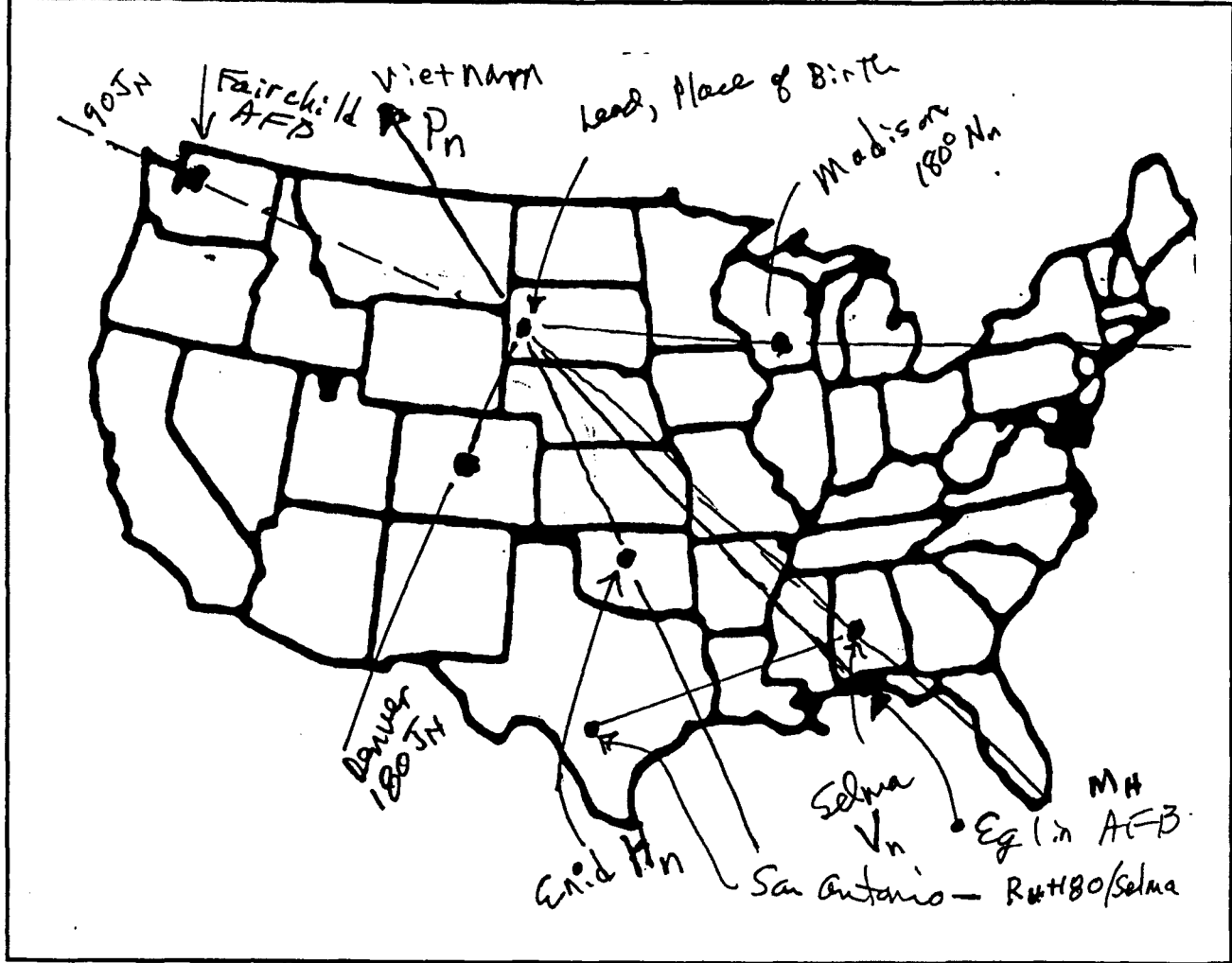


FIGURE 9-1.

For example, Figure 9-1 shows a map of the United States. If I take my natal FOG and place it on my place of birth, I discover something very interesting. Every place on this earth where I have lived for more than one week, falls on one of the lines of my natal FOG! Talk about harmony of energies!

Where I live now in Denver is 180 degrees from my Jupiter natal line. I went to graduate school in Madison, Wisconsin, 180 degrees from my Neptune line. I was stationed in Selma, Alabama, which is on my Venus line. I trained at Eglin Air Force Base, which is on my Mercury line. I went through survival training at Fairchild Air Force Base, which is on a line 90 degrees to my natal Jupiter. I served in Vietnam which is on my natal Pluto line. I took my pilot training at Enid Air Force Base, Oklahoma, which is on my Sun line.

Only one place where I had spent more than one week did not seem to fall on my natal FOG. That was at Randolph Air Force Base in San Antonio, Texas, where I checked out as an instructor in the T-38 jet trainer. However, I went to that temporary assignment from Selma, Alabama. If I place my natal chart center on Selma, Alabama, I found out that San Antonio was 180 degrees to my natal Mars.

It seems then, that while I thought I was making free choices, or the people in Air Force career planning where deciding where I should go next, that the forces of nature were guiding me to the points on this planet that were harmonious to me.

Interestingly enough, in a discussion with Carol Mall, a well-know financial astrologer, she told me that when she placed her natal chart on a map of her city, she found that the places where she visited, such as her bank, her grocery store, etc. and the homes of her friends, all made aspects to her natal chart. I don't think Carol say them as lines as used in the Face of God.

I have further gone on to explore and discover the phenomenon of sudden impulses. When you have a sudden impulse to call someone you will sometimes find that they were thinking about you. If you take their natal FOG and your natal FOG and place them on the appropriate map, you will frequently find that there are parts of your natal FOGs that are nearly aligned. This forms a common connection. If you then place a current FOG over either location, you will find that the sudden impulse was energized by one of the current planets lining up with that common connection. That energized the connection between the two of you.

This phenomenon of interconnectedness is the topic of another book that I am preparing for the general public called, "Your Cosmic Connection." Its goal will be to show people how they are connected and how these sudden impulses are not at all accidental. No market stuff.

As you apply the Face Of God pattern, do not restrict it to markets. Apply it to other facets of your life. Use it to study what is happening in your universe. Carefully note events that seem out of place: note time and place particularly. Observe. Observe. Observe. Take notes. Take notes. Take notes. Analyze. Analyze. Analyze.

What you will find is that the Face Of God pattern is the pattern of vibration of the universal energy field. I feel very privileged to have seen the pattern and very honored to share it with you. My hope, my prayers and my blessings are with you as you use the pattern to improve your life, as it has improved mine. May God be with you.

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